

cago, in the State of Illinois; to the Committee on Interior and Insular Affairs.

By Mr. FALLON:

H. R. 3579. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundredth anniversary of the ice cream industry in the United States; to the Committee on Post Office and Civil Service.

By Mr. HAGEN:

H. R. 3580. A bill to amend section 3A of the Civil Service Retirement Act of May 29, 1930, as amended to grant certain benefits to such officers as other Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 3581. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

H. R. 3582. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the effective date of annuities of Members and elected officers of the Senate and House of Representatives; to the Committee on Post Office and Civil Service.

H. R. 3583. A bill to amend section 3A of the Civil Service Retirement Act of May 29, 1930, as amended to grant certain benefits to such officers as other Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REECE of Tennessee:

H. R. 3584. A bill authorizing the Tennessee Valley Authority to construct a bridge across the Powell River arm of Norris Lake; to the Committee on Public Works.

By Mr. DAWSON:

H. R. 3585. A bill to authorize and direct the Administrator of General Services to transfer to the Department of the Navy certain property located at Decatur, Ill.; to the Committee on Expenditures in the Executive Departments.

By Mr. DAVIS of Georgia:

H. R. 3586. A bill to provide for the more effective prevention, detection, and punishment of crime in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CANNON:

H. R. 3587. A bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

By Mr. BARING:

H. R. 3588. A bill to establish the Office of Federal Minerals Coordinator; to the Committee on Interior and Insular Affairs.

By Mr. BRYSON:

H. R. 3589. A bill to amend title 17 of the United States Code entitled "Copyrights" with respect to recording and performing rights in literary works; to the Committee on the Judiciary.

By Mr. DOUGHTON:

H. R. 3590. A bill relating to the income-tax treatment of gain realized on an involuntary conversion of property; to the Committee on Ways and Means.

By Mr. KEE:

H. J. Res. 223. Joint resolution to give the Department of Commerce the authority to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes; to the Committee on Foreign Affairs.

By Mr. STANLEY:

H. Res. 182. Resolution relating to clerk hire for Members of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Memorial of the Legislature of the State of Nevada; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAWSON:

H. R. 3591. A bill for the relief of H. Lamar Aldrich and others; to the Committee on the Judiciary.

H. R. 3592. A bill for the relief of Paul Tse, James Tse, and Bennie Tse; to the Committee on the Judiciary.

By Mr. DENNY:

H. R. 3593. A bill for the relief of John George Fient-Geigy; to the Committee on the Judiciary.

By Mr. HART:

H. R. 3594. A bill for the relief of Harvey L. Cobb; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 3595. A bill for the relief of Mrs. Ada Svejkovsky; to the Committee on the Judiciary.

H. R. 3596. A bill for the relief of Genelle E. Ehrlich and Paul Willard Ehrlich, Jr., to the Committee on the Judiciary.

H. R. 3597. A bill for the relief of John A. Hogg and Mrs. Leona Pearl Hogg; to the Committee on the Judiciary.

By Mr. KEATING (by request):

H. R. 3598. A bill for the relief of Lydia Daisy Jessie Greene; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 3599. A bill for the relief of Christina Finkelperl; to the Committee on the Judiciary.

By Mr. SITTLER:

H. R. 3600. A bill for the relief of Dr. Alexander Symeonidis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

190. By Mr. CHIPERFIELD: Resolution of Illinois Petroleum Marketers Association, Springfield, Ill., re opposition to any increase in the Federal gasoline tax; to the Committee on Ways and Means.

191. By Mr. HOLMES: Memorial of State of Washington House of Representatives, House Joint Memorial No. 1, urging that adequate funds be furnished for use of International Joint Commission for study of problems of Columbia River and its tributaries, and particularly the Similkameen River; to the Committee of Public Works.

SENATE

MONDAY, APRIL 9, 1951

(Legislative day of Monday, March 26, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Walter L. Beckwith, secretary, Peninsula Annual Conference of the Methodist Church, Smyrna, Del., offered the following prayer:

Our Father, we thank Thee that the evidence of Thy presence in our past encourages us to come boldly to the Throne of Grace.

Have mercy upon us in these hours of great need. Save us from ourselves, lest in our selfishness we betray Thee and those who trust us.

Save us from a false sense of security, lest we find in our seeking after power and position that we have broken our industry, enslaved our people, and sacrificed our youth only to find that we have missed the time of our visitation and that Thou who art the source of all power hast been forgotten.

Awaken and revive us that we may have the constant sense of Thy presence.

We ask in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 5, 1951, was dispensed with.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, submit reports, introduce bills and resolutions, and transact other routine business without debate before we proceed under the unanimous-consent agreement.

The VICE PRESIDENT. Without objection, it is so ordered.

THE LATE SENATOR VIRGIL M. CHAPMAN OF KENTUCKY—RESOLUTION OF CURRY BRECKENRIDGE UNIT, NO. 8, AMERICAN LEGION AUXILIARY, LEXINGTON, KY.

The VICE PRESIDENT laid before the Senate a resolution adopted by Curry Breckenridge Unit, No. 8, American Legion Auxiliary, of Lexington, Ky., which was ordered to lie on the table and to be printed in the RECORD, as follows:

RESOLUTION RE THE LATE HONORABLE VIRGIL CHAPMAN

Whereas Almighty God, in His infinite wisdom, has deemed it best to remove from our midst the late Honorable Virgil Chapman, United States Senator from the Commonwealth of Kentucky, and member of the Armed Forces Committee; and

Whereas because of his untiring efforts in so faithfully fulfilling his obligations as such and in whatever other capacities he was called upon to serve; and

Whereas because also of his devotion and loyalty to his native State and likewise to the United States and the excellent record attained thereby, covering his many years of service: Therefore be it

Resolved, That the members of the Curry Breckenridge Unit, No. 8, American Legion Auxiliary, of Lexington, Ky., in this, the first meeting held since the great loss of our beloved Senator and friend, do extend and express by way of this resolution, the sincere sympathy of the members of said Auxiliary unit to the following: The President of the United States, the Vice President of the United States, the United States Senate, and the members of the Armed Forces Committee; and be it further

Resolved, That a copy of this resolution be sent to the widow of the late Honorable Virgil Chapman.

Respectfully submitted.

LUCILLE G. WILSON,
Legislative Chairman.

MRS. LEWIS F. GIFFORD,
ELIZABETH F. ROGERS,
Committee Members.

This resolution was unanimously passed March 20, 1951.

FLORA L. DENNISON,
President.
ELIZABETH F. ROGERS,
Recording Secretary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of New York; to the Committee on Interstate and Foreign Commerce:

"Resolution 38

"Concurrent resolution of the senate and assembly memorializing Congress and the CAA to reinstate its flight rules governing LaGuardia Field and Idlewild Airport

"Whereas commercial aviation in the metropolitan area centers largely in Queens County wherein are located LaGuardia Field and Idlewild Airport; and

"Whereas the hazard and noise caused by low flying planes is a constant source of irritation to the residents of Queens County who live in constant fear and under extreme nervous tension; and

"Whereas the Civil Aeronautics Authority which had heretofore adopted flight rules to curtail the noise and hazards of low flying planes has lifted these restrictions on airliners coming in or out of LaGuardia Field or Idlewild Airport; and

"Whereas since the action by the CAA leaves it up to the pilots of these planes what courses to follow and has resulted in a great increase in low flying, intensifying the danger and noise: Now, therefore, be it

"Resolved (if the senate concur), That the Legislature of the State of New York do hereby memorialize the Congress of the United States and the Civil Aeronautics Authority to reconsider the decision of the CAA in abolishing the restrictions governing LaGuardia Field and Idlewild Airport and to reinstate the original flight rules heretofore adopted; and be it further

"Resolved (if the senate concur), That copies of this resolution be transmitted to the Secretary of the Senate and the Clerk of the House of Representatives of the United States, the Chairman of the CAA, and to each Member of Congress elected from the State of New York.

"By order of the assembly.

"ANSLEY B. BORKOWSKI, Clerk.

"In senate, March 16, 1951, concurred in without amendment.

"By order of the senate.

"WILLIAM S. KING, Secretary."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on the Judiciary:

"House Concurrent Resolution 26

"Concurrent resolution memorializing the Congress to propose an amendment to the Constitution of the United States relating to fiscal matters

"Be it resolved by the House of Representatives of the State of Oklahoma (the senate concurring therein):

"SECTION 1. The Legislature of the State of Oklahoma hereby respectfully petitions the Congress of the United States to propose the following article as an amendment to the Constitution of the United States:

"ARTICLE —

"On the first day of each regular session, the President shall transmit to the Congress his estimates of the receipts of the Government during the ensuing fiscal year under the laws existing on such date, together with his recommendations as to the purposes for which such receipts shall be expended, and except in time of war or during the period ending on the date of the expiration of one full fiscal year after the termination thereof, the Congress shall not appropriate money for expenditure during such fiscal year in excess of such estimated receipts, as trans-

mitted or as modified or revised by the President, except by a vote of three-fifths of each House taken by yeas and nays. In the event the Congress shall without the said three-fifths vote of each House taken by the yeas and nays appropriate money in excess of the estimated receipts for said fiscal year, then the President is authorized and directed to reduce all appropriations made by the Congress, except for the payment of claims against the United States the justice of which shall have been judicially declared by such tribunal as may be established by the Congress for the investigation of claims against the Government, for permanent appropriations, appropriations for servicing the public debt, appropriations for veterans' pensions and benefits, and trust expenditures, by such uniform percentage deductions as will bring total appropriations within the estimated or subsequently modified or revised receipts."

"SEC. 2. The Legislature of the State of Oklahoma further respectfully petitions the Congress of the United States that it provide that such amendment to the Constitution of the United States shall be effective when ratified by the legislatures of three-fourths of the several States.

"SEC. 3. The secretary of state of the State of Oklahoma is hereby directed to send certified copies of this concurrent resolution to the Secretary of the Senate of the United States, to the Clerk of the House of Representatives of the United States, to each Member of the Congress from the State of Oklahoma, and to the Chief Executive and presiding officers of the legislative bodies of each of the several States.

"Adopted by the house of representatives the 3d day of April 1951.

"JAMES M. BULLARD,

"Speaker of the House of Representatives.

"Adopted by the senate the 29th day of March 1951.

"BOYD COWDEN,

"President pro tempore of the Senate."

A resolution of the House of Representatives of the State of California; to the Committee on the Judiciary:

"House Resolution 96

"Resolution relating to memorializing the Federal Government to deport criminals who are aliens or naturalized by fraud

"Whereas organized crime in the United States is increasing at an alarming rate; and

"Whereas the syndication of crime is on an interstate basis, making it difficult for the several States to uproot the out-of-State sources or leaders, with the result that State convictions for crime bring only a replacement from a national syndicate; and

"Whereas the leaders of national crime syndicates are often free from personal participation in the elements of a punishable crime; and

"Whereas experience has shown that many of these leaders and underlings are aliens or have obtained their citizenship by fraud; and

"Whereas such persons are abusing the privileges of entry or naturalization and are undesirable persons to have within the United States; and

"Whereas the Federal Government is the proper sovereign power to rid ourselves of such undesirable through the immigration and naturalization powers of the Federal Government: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Congress of the United States, the President of the United States, the Department of Justice, and the Commissioner of Immigration and Naturalization be memorialized to take whatever action is necessary under title 8, sections 155 and 738, United States Code, and related sections, or

enact appropriate legislation, to effect the deportation of proven members of a crime syndicate or criminal organization, or who have been convicted of a felony, who are either aliens or have obtained naturalization by fraud; and be it further

"Resolved, That copies of this resolution be transmitted by the chief clerk of the assembly to the President and Vice President of the United States, to the Speaker of the House of Representatives, the Attorney General of the United States, and to the Commissioner of Immigration and Naturalization."

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"Senate Joint Resolution 11

"Joint resolution relative to the use of fresh dairy products in United States Army camps

"Whereas it has come to the attention of this legislature that certain members of the Armed Forces of the United States stationed in camps within the United States are now being served imitation dairy products; and

"Whereas fresh dairy products are abundantly available; and

"Whereas men inducted into the Armed Forces of the United States are in the habit of and accustomed to consuming fresh dairy products; and

"Whereas it appears that there is no satisfactory reason why fresh dairy products should not be served in camps within the United States to members of the Armed Forces: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California request that there be served in camps within the United States to members of the Armed Forces fresh dairy products when such fresh products are available; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Senate Joint Resolution 20

"Joint resolution relative to the construction of the Pillar Point Breakwater project at Half Moon Bay, Calif.

"Whereas the harbor at Half Moon Bay, Calif., can be made safe by the construction of a breakwater; and

"Whereas the construction of the breakwater would make available on the west coast additional harbor facilities so necessary for the national defense; and

"Whereas a safe harbor would be of benefit to the entire State in that its facilities would be available to fishermen and yachtsmen: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to appropriate the funds necessary to construct the Pillar Point Breakwater project at Half Moon Bay, Calif.; and be it further

"Resolved, That the secretary of the senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"House Concurrent Resolution 36

"Concurrent resolution requesting the Congress of the United States to repeal the Federal taxes on the transportation of persons and property as each affects inter-island transportation in Hawaii and transportation between Hawaii and the mainland United States

"Whereas the United States now levies a tax of 15 percent of the amount paid for the transportation of persons, and a similar tax of 3 percent on the amount paid for the transportation of property between the Territory and the mainland United States, and between the several islands of the Territory of Hawaii; and

"Whereas these taxes were imposed as wartime excises to discourage unnecessary transportation of persons and property, which reason is no longer sufficient to justify continuing their levy; and

"Whereas due to the geographic make-up of the Territory virtually all interisland shipments of food and other goods as well as transportation of persons must be accomplished by commercial means and are therefore subject to the payment of these taxes, a condition not true on the mainland with regard to either intrastate or interstate transportation; and

"Whereas these taxes materially increase the cost of transportation of persons and property both from the mainland, to the Territory and within the Territory, thus directly contributing to the high cost of living in the Territory and working great hardship on the people of the Territory who must pay inflated prices for food and other necessities because of these taxes; and

"Whereas the cost to the carriers of collecting these taxes substantially increases the cost of transportation, which cost is ultimately paid by the users of such transportation facilities and results, therefore, in an additional and unnecessary charge upon the public; and

"Whereas these taxes put Hawaii in a very unfavorable position in its competition with Europe, South and Central America, the Caribbean area and other southern trade areas for tourist business, which is Hawaii's third ranking industry and is rapidly increasing in importance, as well as in Hawaii's bid for a place in the import-export business of the world, inasmuch as transportation to and from the aforesaid mentioned areas are not subject to these taxes; and

"Whereas these taxes definitely discourage passenger travel and shipping activities via commercial means at a time when transportation systems generally are hard-pressed financially, which is particularly detrimental to the low-income groups in the Territory who cannot afford the resultant higher travel costs in the Territory; and

"Whereas the Twenty-fifth Legislature of the Territory of Hawaii also requested the Congress of the United States to repeal said taxes: Now, therefore, be it

"Resolved by the House of Representatives of the Twenty-sixth Legislature of the Territory of Hawaii (the senate concurring):

"SECTION 1. That the Congress of the United States be and it is hereby respectfully requested to repeal the Federal tax on the transportation of persons and the tax on the transportation of property as each applies to travel and shipping within the Territory of Hawaii and as each applies to travel and shipping between the mainland United States and the Territory of Hawaii.

"SEC. 2. That duly certified copies of this concurrent resolution be transmitted to the President of the United States, to the Pres-

ident of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Delegate to Congress from Hawaii."

A resolution adopted by the Woman's Club of Endicott, N. Y., relating to the rising prices of foodstuffs; to the Committee on Banking and Currency.

Resolutions adopted at the fiftieth annual meeting of the State Conference, District of Columbia, Daughters of the American Revolution, Washington, D. C., relating to the spreading of positive Americanism, and so forth; ordered to lie on the table.

Resolution adopted by a duly assembled Tribal Council of the Crow Tribe of Indians, relating to law-and-order enforcement on the Crow Indian Reservation (with accompanying papers); to the Committee on Interior and Insular Affairs.

By Mr. McFARLAND (for Mr. MAGNUSON):

A joint resolution of the Legislature of the State of Washington, relating to an extension of time within which Indian tribes may file claims before the Indian Claims Commission for a period of at least 2 years from August 13, 1951; to the Committee on Interior and Insular Affairs.

(See joint resolution printed in full when laid before the Senate by the Vice President on April 3, 1951, p. 3138, CONGRESSIONAL RECORD.)

By Mr. McFARLAND (for Mr. MAGNUSON):

A joint resolution of the Legislature of the State of Washington, relating to statehood for Alaska and Hawaii; to the Committee on Interior and Insular Affairs.

(See joint resolution printed in full when laid before the Senate on April 2, 1951, by the Vice President, p. 3107, CONGRESSIONAL RECORD.)

By Mr. MALBANK:

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Finance:

"Concurrent resolution memorializing the Eighty-second Congress of the United States to withhold approval of any proposed tax legislation which would further increase the Federal automobile excise tax burden

"Whereas there is currently under consideration by the Congress of the United States a proposal to raise the Federal excise tax on gasoline from 1½ to 3 cents per gallon, and increase the excise tax on automobiles from 7 percent to 20 percent; and

"Whereas any increase in these Federal excise taxes would add to all manufacturing and delivery costs, thereby driving up the prices of consumer goods still higher and increasing the threat of disastrous inflation; and

"Whereas South Carolina motorists already pay an average of \$93 per year in special motor-vehicle taxes, and along with other motorists in other States, contribute over \$4,000,000,000 in such vehicle taxes annually; and

"Whereas of the \$3,000,000,000 to be raised in new excise taxes on luxuries, 42 percent would come from motor vehicle owners; and

"Whereas it is obviously discriminatory taxation to ask a citizen to measure his special defense tax burden by the amount of Federal excise taxes he pays on automobiles and gasoline: Now, therefore, be it

"Resolved by the House of Representatives of the State of South Carolina (the senate concurring), That we hereby petition and memorialize the Eighty-second Congress of the United States to withhold approval of any proposed tax legislation which would further increase the Federal automotive ex-

cise tax burden; and that copies of this resolution be prepared and forwarded to every Member of Congress from the State of South Carolina, to be presented by them to the proper committees in Congress considering such legislation."

EDUCATIONAL FACILITIES—RESOLUTION OF NEBRASKA FEDERATION OF WOMEN'S CLUBS, LINCOLN, NEBR.

Mr. BUTLER of Nebraska. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Nebraska Federation of Women's Clubs, at Lincoln, Nebr., relating to educational facilities.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

Whereas the current phenomenal growth of membership in the schools and the rapidly rising potential membership as now recorded in the United States Census and elsewhere make imperative an uninterrupted continuation of the school-building construction program; and

Whereas attention is further directed to the fact that the school buildings of most communities are the safest structures for the physical protection both of adults and children; and

Whereas great as will be the service of added school buildings, a high priority would claim less than an extremely small proportion of the total production of certain critical materials: Be it

Resolved, That the Nebraska Federation of Women's Clubs, Inc., urge that after the major military needs of the United States of America have been met, a top priority for school buildings, material, equipment, and supplies be established on the premise that next in importance to the protection of America's citizens stands the educational training of the Nation's youth; and be it further

Resolved, That copies of this resolution be sent by United States mail by the Secretary of N. F. W. C., Inc., to the National Education Association and through the NEA, to the President of the United States, the United States Office of Education, the National Association of Manufacturers, the National Association of School Boards, the National Congress of Parents and Teachers, the National School Service Institute, the National Citizens Commission for Public Schools, American Council on Education, the Nebraska Senators and Congressmen, the Governor of Nebraska and corresponding State organizations.

CRIME CONTROL—RESOLUTION OF EXECUTIVE COMMITTEE OF NATIONAL ASSOCIATION OF ATTORNEYS GENERAL, WASHINGTON, D. C.

Mr. WILEY. Mr. President, I have received from Frank Bane, the distinguished executive director of the Council of State Governments, a copy of a resolution adopted by the executive committee of the National Association of Attorneys General. This committee met on March 30, and renewed its commendation of our Senate Crime Committee Investigating Interstate Crime. Among the suggestions which it made was that the Congress authorize the collector of internal revenue to make Federal income-tax returns available to chief law-enforcement officials of the States.

I ask unanimous consent that the resolution be printed in the RECORD and referred to the Senate Finance Committee.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

The National Association of Attorneys General, at its forty-third annual meeting in October 1949, called attention to the problem of organized crime and urged the cooperation of Federal, State, and local law-enforcement agencies in the investigation of organized crime and the prosecution and conviction of persons violating gambling laws.

In December 1950 the association at its forty-fourth annual meeting commended the Special Senate Committee Investigating Organized Crime for its constructive work in arousing public opinion for the need of thorough and impartial law enforcement, and pledged its continued cooperation in the committee's investigations.

At its forty-fourth annual meeting the association also recommended that the Congress pass legislation to terminate the interstate transmission of racing and other information for gambling purposes, to ban the interstate shipment of gambling devices such as slot machines and punch boards into areas where such devices are illegal, and it requested the Congress to authorize the collector of internal revenue to make Federal income-tax returns available to the chief law-enforcement officials of the State upon proper certification.

The executive committee of the National Association of Attorneys General, meeting on March 30, 1951, expresses again its appreciation and approval of the activities of the Kefauver investigating committee and respectfully requests the Kefauver committee to give consideration—in its final report to the United States Senate—to ways and means for strengthening cooperation among Federal, State, and local law-enforcement officials generally and, in particular, to consider recommending legislation to make Federal income-tax returns available, with necessary safeguards, for use by State and local law-enforcement officials in criminal prosecutions.

INTEGRATION OF ARMED FORCES—RESOLUTION OF ST. PAUL (MINN.) COUNCIL OF HUMAN RELATIONS, INC.

Mr. HUMPHREY. Mr. President, I present for appropriate reference a resolution adopted by the St. Paul Council of Human Relations, Inc., of St. Paul, Minn., relating to the integration of the Armed Forces, and I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Armed Services and ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE ST. PAUL COUNCIL OF HUMAN RELATIONS ON MARCH 15, 1951

Whereas the President of the United States issued an order to integrate the Armed Forces on July 26, 1948; and

Whereas evidence has been presented which indicates that in induction orders and other records the practice of segregation is still being practiced by the Army; and

Whereas the Governor and the Legislature of Minnesota have taken the lead in establishing an integrated National Guard unit: Now, therefore, be it

Resolved by the board of directors of the St. Paul Council of Human Relations:

1. That we urge the Army to carry out as rapidly as possible the President's order of July 26, 1948;

2. That all newly recruited men be placed in nonsegregated units for their basic training;

3. That in units already in active service the integration be accomplished as rapidly as possible by a planned use of replacements, and that this should apply to the forces now in Korea;

4. That the Army call upon and accept the services of qualified personnel who have had training in human relations to assist them in the process of integration; and

5. That copies of this resolution be sent to the Honorable Frank Pace, Secretary of the Army; the Honorable Earl Johnson, Assistant Secretary of the Army in Charge of Personnel; Gen. J. Lawton Collins, Army Chief of Staff; Gen. Omar N. Bradley, Chairman, Joint Chiefs of Staff; the Honorable Edward J. Thye, Senator from Minnesota; the Honorable Hubert H. Humphrey, Senator from Minnesota; and the Honorable Eugene J. McCarthy, Representative from Minnesota.

RESOLUTION ADOPTED BY THE PEOPLE OF AMERICA RELATING TO LOYALTY IN PUBLIC OFFICE

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution for adoption by the people of America, prepared by D. A. Simmons as a statement of policy by the Houston (Tex.) Chamber of Commerce. A few hours after this resolution was drafted, Mr. Simmons suffered a heart attack which claimed his life.

Mr. Simmons was the past president of the American Bar Association, the American Judicature Society, and the Texas Bar Association, as well as a leader in civic and religious activities. He had long been an outstanding leader in efforts for sound Government and strong citizenship.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION FOR ADOPTION BY THE PEOPLE OF AMERICA

If the principles of this great democratic Republic are based on Christianity, as they are; if freedom is preferable to slavery, as it must be; if our leaders—local, State, and national—are the servants of the people and not their masters; then the people are entitled to demand of them honesty in their personal conduct; loyalty to the people and to the principles of decency and constitutional government, faithfulness to their trust, not mere absence of illegality in their conduct of governmental affairs; and, above all, an example of competence in the handling of our affairs, domestic and foreign, and frugality in the handling of the people's money, so as to inspire the people to be competent and frugal in the handling of their own.

The responsibility of leaders is to furnish leadership. Our so-called Asiatic policy of indecision and confusion is being paid for in blood in Korea and tears at home; and we, in our pain, engaged in "operation killer," are wreaking a bloody vengeance on little people who have had the misfortune to fall victims of a criminal leadership which has forced them into slavery. Where is the voice of a Woodrow Wilson to proclaim the principles of right and justice to oppressed peoples and to arouse them to throw off their yoke?

Has America fallen so low in the esteem of mankind that no one can hear what we say about ideals and principles for seeing the way we act about them here? The concept that we have to buy friends to keep them from siding with Russia is a concept from the lowest strata of practical politics.

Our opulence earns the envy of the nations to whom we throw large sums of money; the hatred of those to whom we do not; and, inevitably, the denunciation of the beneficiaries when we stop.

Jefferson's "equal rights for all, special privilege for none" has been thrown out the window. Special privileges for all gets more votes.

We are sick unto death of the scrambling for power of little men in high office; of the influence peddlers; of the traitors and fellow travelers; of whitewashing of friend and party; of the appointment to office of men without merit but with pull; of gamblers and crooks, politicians and fixers. The stench rises as high as an atom bomb's smoke.

What we need is men, men who are worthy of the offices they fill; the country they serve; the boys who fight and die on the bloody field of "police action"; the principles to which we pay lip service; our forefathers, those unknown men who became great by their dreams and hopes for a great people, a great country, a great world.

For men are not born great. They are born with a capacity to become great. If, in periods of emergency, their every decision is selfless and each vote they cast is for the good of our country, they will be good men and great patriots.

A people become great by following great leadership.

A world will become great by following a great nation.

The time is now.

What are we waiting for?

All we need is for men, big or little, to make selfless decisions, and to vote always: "For the good of our country," whether it leaves one in or out of office, or makes one rich or poor.

In this great emergency, we beg everyone in office or out of office to adopt this resolution.

TWO HUNDREDTH ANNIVERSARY OF BIRTH OF JAMES MADISON—RESOLUTION OF BROWN COUNTY (MINN.) BOARD OF COMMISSIONERS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Brown County Board of Commissioners, of New Ulm, Minn., commemorating the two hundredth anniversary of the birth of James Madison.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas March 16 of 1951 will mark the two hundredth anniversary of the birth of James Madison, and who has been properly named the "Father of the Constitution of the United States" on account of the outstanding services he rendered at the Constitutional Convention in Philadelphia during the year 1787; and

Whereas today we are living in the midst of a serious conflict between the ideals of the constitutional government on one hand and communism on the other: Now, therefore, be it

Resolved, That we should note on the records of the county of Brown the fact that we recognize and appreciate the services rendered by this great American, and that a copy of this resolution be forwarded to our Representatives in the Congress of the United States.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

S. 109. A bill to protect scenic values along the Grand Canyon Park South Approach Highway (State 64) within the Kaibab National Forest, Ariz., with an amendment (Rept. No. 212).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of New Jersey:

S. 1274. A bill for the relief of Vera Oumanoff; to the committee on the Judiciary.

By Mr. LANGER:

S. 1275. A bill to authorize an appropriation for the rebuilding of the bridge across the Cannonball River near Cannonball, N. D.; to the Committee on Public Works.

By Mr. THYE:

S. 1276. A bill to amend section 117 (j) of the Internal Revenue Code with respect to the income tax treatment of sales of livestock; to the Committee on Finance.

By Mr. HAYDEN:

S. 1277. A bill for the relief of John R. Willoughby; to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 1278. A bill for the relief of Mary Raval; and

S. 1279. A bill for the relief of Davis Min Lee; to the Committee on the Judiciary.

By Mr. LODGE (for himself and Mr. SALTONSTALL):

S. 1280. A bill for the relief of the minor child, Peng-siu Mei; to the Committee on the Judiciary.

By Mr. TAFT:

S. 1281. A bill for the relief of Eric Adolf Lenze; and

S. 1282. A bill for the relief of Cecil Lennox Elliott; to the Committee on the Judiciary.

By Mr. NEELY (by request):

S. 1283. A bill to remove the limitation on the numerical strength of the White House Police force; to the Committee on the District of Columbia.

By Mr. CAPEHART:

S. 1284. A bill to amend "A bill to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for psychoses developing to a compensable degree of disability within 3 years from the date of separation from active service;" to the Committee on Labor and Public Welfare.

S. 1285. A bill for the relief of Walter H. Berry; to the Committee on the Judiciary.

S. 1286. A bill to amend the act of June 20, 1936, so as to broaden the application of laws governing the inspection of steam vessels to vessels propelled by internal-combustion engines; to the Committee on Interstate and Foreign Commerce.

S. 1287. A bill to amend the Canal Zone Construction Act of May 29, 1944, as amended, to make eligible for annuities thereunder certain persons who completed a sufficient period of service during the construction period of the Canal to make them eligible for a third period of annual leave but who did not complete a full 3 years of service to make them eligible for an annuity under the existing provisions of the act; to the Committee on Armed Services.

By Mr. HUMPHREY:

S. 1288. A bill for the relief of Sister Constantina (Teresa Kakonyi); to the Committee on the Judiciary.

By Mr. LANGER:

S. 1289. A bill for the relief of Agnes Stephan; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr.

FREAR, Mr. BUTLER of Nebraska, Mr. BRICKER, Mr. NIXON, Mr. KNOWLAND, Mr. WELKER, Mr. THYE, Mr. JENNER, Mr. MALONE, Mr. DWORSHAK, Mr. CASE, Mr. O'CONOR, Mr. BUTLER of Maryland, Mr. KEM, Mr. SCHOEPEL, Mr. HENDRICKSON, Mr. CAPEHART, Mr. LODGE, Mr. MCCLELLAN, Mr. BENNETT, Mr. MORSE, Mr. CARLSON, Mr. BYRD, Mr. FLANDERS, Mr. FERGUSON, Mr. GILLETTE, Mr. MUNDT, Mr. WATKINS, Mr. CORDON, Mr. JOHNSON of Colorado, Mr. BREWSTER, Mr. IVES, Mr. CAIN, and Mr. ECTON):

S. 1290. A bill relating to the salaries and expense allowances of the President, Vice President, and the Speaker and Members of Congress; to the Committee on Post Office and Civil Service.

By Mrs. SMITH of Maine:

S. 1291. A bill for the relief of the legal guardian of Gail Mackiernan, a minor; to the Committee on the Judiciary.

By Mr. O'CONOR:

S. 1292. A bill to amend title 18, United States Code, to increase the criminal penalty provided for persons convicted of gathering or delivering certain defense information to aid a foreign government in time of peace; to the Committee on the Judiciary.

(See remarks of Mr. O'CONOR when he introduced the above bill, which appear under a separate heading.)

By Mr. McMAHON:

S. 1293. A bill for the relief of Hernando J. Abaya, his wife, and two children; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 1294. A bill for the relief of Daisy Eskenazi;

S. 1295. A bill for the relief of Waltraut Mies van der Rohe; and

S. 1296. A bill for the relief of Francisco-Manuel Gonzalez Abad and Jose Maria Gonzalez Abad; to the Committee on the Judiciary.

By Mr. MALONE:

S. 1297. A bill authorizing the construction, operation, and maintenance of works diverting water from Lake Mead and tributaries of the Virgin River, formerly a tributary of the Colorado River, together with certain appurtenant pumping plants and canals, and for other purposes;

S. 1298. A bill authorizing the construction, operation, and maintenance of works diverting water from Lake Mead and tributaries formed by Hoover Dam, together with certain appurtenant pumping plants and canals, and for other purposes;

S. 1299. A bill authorizing the construction, operation, and maintenance of works diverting water from Lake Mead formed by Hoover Dam, together with certain appurtenant pumping plants and canals, and for other purposes;

S. 1300. A bill authorizing the construction, operation, and maintenance of works diverting water from Lake Mead above Hoover Dam, together with certain appurtenant pumping plants and canals, and for other purposes; and

S. 1301. A bill authorizing the construction, operation, and maintenance of works diverting water from the main stream of the Colorado River above Davis Dam, together with certain appurtenant pumping plants and canals, and for other purposes; to the Committee on Interior and Insular Affairs.

(See remarks of Mr. MALONE when he introduced the above bills, which appear under a separate heading.)

By Mr. KNOWLAND:

S. J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States to enable the Congress, in aid

of the common defense, to function effectively in time of emergency or disaster; to the Committee on the Judiciary.

AMENDMENT OF CODE RELATING TO ESPIONAGE PENAL PROVISIONS

Mr. O'CONOR. Mr. President, I introduce for appropriate reference, a bill to increase the criminal penalty provided for persons convicted of gathering or delivering certain defense information to aid a foreign government in time of peace, and I ask unanimous consent that a statement by me explaining its provisions, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement will be printed in the RECORD. The Chair hears no objection.

The bill (S. 1292) to amend title 18, United States Code, to increase the criminal penalty provided for persons convicted of gathering or delivering certain defense information to aid a foreign government in time of peace, introduced by Mr. O'CONOR, was read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. O'CONOR is as follows:

STATEMENT BY SENATOR O'CONOR

On April 5, 1951, the United States District Court for the Southern District of New York pronounced the death sentence upon two native-born American citizens, who had been duly tried and convicted of one of the most despicable of all crimes—espionage against their country.

This action marked the first instance in the history of the United States of the application of the death sentence for this crime by a civil court in time of peace.

In pronouncing sentence, Judge Irving R. Kaufman, whose conduct of this important trial may well serve as a model of judicial excellence, of restraint and admirable decorum, pointed out that because the crime was committed during time of war, the death sentence was permissible. He noted, however, that had this crime been committed in time of peace, he would have been limited by the statute to the imposition of a maximum sentence of imprisonment for 20 years.

In this connection, Judge Kaufman said: "The incongruent penal provisions of the statute are spotlighted by the 20-year maximum imprisonment provision for commission of the offense of espionage during peacetime. I ask that some thought be given to that for a moment, for it most likely means that even if spies are successful in the year 1951 in delivering to Russia or any foreign power our secrets concerning the newer type atom bombs, or even the H-bomb, the maximum punishment that any court could impose in that situation would be 20 years."

I, therefore, say that it is time for Congress to reexamine the penal provisions of the espionage statute.

It was only because the acts permitted by the defendants occurred in 1944, at which time our country was at war, that the Judge was able to pronounce the death sentence. It is quite clear, that under existing conditions, with the United States engaged in a so-called cold war, which may continue indefinitely, the 20-year maximum penalty provided for the commission of this heinous crime, during peace time, is manifestly inadequate if our penal system is to serve as a deterrent to other would-be lawbreakers. Furthermore, if we take action now to increase the penalty to death or a maximum of

30 years imprisonment, this should serve as a further deterrent against any future acts of espionage, since it would apply to all violations occurring after the date of the enactment of this legislation.

It is with this in mind that I have introduced a bill, at this time to amend section 794, of title 18 of the United States Code, as amended, so as to permit the imposition of the death penalty or a sentence of 30 years, for acts of espionage, regardless of whether they are committed in time of peace or in time of war.

SPECIAL BIPARTISAN COMMITTEE TO MEET WITH GENERAL MACARTHUR IN TOKYO TO DISCUSS KOREAN WAR SITUATION

Mr. FERGUSON. Mr. President, I submit for appropriate reference a concurrent resolution providing a special bipartisan committee of 12 Members of the Senate and House of Representatives to be appointed to meet with General MacArthur in Tokyo. I ask unanimous consent that the concurrent resolution and a statement by me in relation to the concurrent resolution be printed in the RECORD.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred, and without objection, the concurrent resolution and statement will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 22) submitted by Mr. FERGUSON, was referred to the Committee on Foreign Relations, as follows:

Whereas the situation of the United Nations and the United States in the Far East appears to be rapidly deteriorating; and

Whereas Congress, in the proper discharge of its constitutional responsibilities for implementing foreign policy and for raising and supporting the armies, has an obligation to inform itself completely and accurately on all issues pertinent thereto in order that its functions may be carried out in the national interest; and

Whereas in pursuit of this obligation Congress has received testimony and recommendations from General of the Army Dwight Eisenhower, as Supreme Commander of North Atlantic Treaty forces in Europe, and from others, regarding United States participation in a strategy of resistance to Communist aggression with particular attention to Europe; and

Whereas statements by General of the Army Douglas MacArthur, as Supreme Commander of Allied forces in the Pacific and as Supreme Commander of United Nations forces in Korea, have made it evident that a complete expression of his views on the strategy of resistance to Communist aggression, with particular regard to the Far East, are to be desired by Congress in order that it may adequately inform itself in this respect; and

Whereas it is not considered feasible or prudent to recall General MacArthur at this time from his post of duty at a fighting front, for the purpose of giving testimony to Congress; and

Whereas the responsibilities of Congress would be further served by observations in the Far East and interviews with officials and persons in that area, other than General MacArthur, conducted by its specifically directed representatives; Therefore be it

Resolved, That a special bipartisan committee of 12 members of Senate and House of Representatives of the United States be appointed to meet with General MacArthur in Tokyo, to solicit his views on strategy in the world-wide struggle against communism, including conduct of the United Nations effort in Korea, and to make such other

observations and to conduct such other interviews in the area of the Far East as it may determine to be necessary and desirable, and to report on the same to the respective Houses of Congress. The special committee shall consist of six members of the Senate, including one member of each party from the Committees on Foreign Relations, Appropriations, and Armed Services, and six members of the House of Representatives, including one member of each party from the Committees on Foreign Affairs, Appropriations, and Armed Services, the individuals representing each committee to be selected by a vote of the respective committees. The special committee so appointed shall select a chairman. Any necessary expenses of the special committee, including employment and travel expenses of staff personnel for a period not to exceed 60 days, are authorized to be expended from the contingency funds of the Senate and the House of Representatives.

The statement presented by Mr. FERGUSON is as follows:

STATEMENT BY SENATOR FERGUSON

Recent statements by public leaders and other events give evidence of a rapidly deteriorating state of affairs in the Far East.

We have the well-publicized statements of General MacArthur.

We have the veiled but ominous statement of Speaker RAYBURN to the House of Representatives that in the light of far eastern developments of which he spoke with knowledge "we stand in the face of terrible danger and maybe the beginning of world war III."

We have statements by the President and the Secretary of Defense which add to the tension of the moment.

All these statements, together with a reading of impending great military events in Korea, emphasize the absolute necessity of Congress obtaining at once full and accurate information on the situation in the Far East.

The first order of business is for the Congress to receive direct testimony from General MacArthur.

In his recent statements General MacArthur has laid down specific issues which command the attention of the entire country, and the world, and which become matters upon which it is imperative that Congress should inform itself completely and accurately at first hand:

1. His recommendation of a policy for the avoidance of a stalemate in the Korean war, which is the only definitive and authoritative statement of policy on the subject available for consideration;

2. His proposition that "the Communist conspirators have elected to make their play for global conquest" in Asia, and a strong inference that any preoccupation with European affairs to the possible neglect of the situation in the Far East (where "we fight Europe's war with arms while the diplomats there still fight it with words") could result in defeat for the whole principle of collective security against aggression, which principle is the reason for our presence with United Nations forces in Korea and the purpose of our preparations for further participation in a European defense system.

I have endorsed the purpose of a proposal that General MacArthur be recalled to the United States to give testimony to Congress, but I have recognized the impracticality of such a recall in the face of his critical responsibilities at a fighting front. I therefore propose now that a special bipartisan committee from the Senate and House be delegated to visit General MacArthur in Tokyo, to solicit a full expression of his views on the issues he has raised on the strategy of resistance to global Communist aggression, and on the conduct of the Korean war.

I have submitted a concurrent resolution in the Senate to accomplish that purpose.

The implications of General MacArthur's statements and the critical importance of the far eastern situation not only justify but command special congressional attention of the sort I propose. In addition to interviewing General MacArthur it is my belief that the special committee should make special observations in Japan, Korea, and possibly the Philippines and Formosa. It should interview such other personages as representatives of the United Nations command in Korea, members of the fighting forces themselves, representatives of the Korean government and assembly, and any others who can contribute to the full development of facts and qualified judgment on the far eastern situation.

Specific questions which should be among those to be explored by the special committee with General MacArthur and otherwise are:

1. Are the policies being pursued in the Far East and particularly Korea by the United States and its allies consistent with the objective of the United Nations, which is to form a free and united Korea.

2. Whether the United Nations objective in Korea should be defeat of the North Korean and Red Chinese forces there, or a truce on the best possible terms, or on any terms obtainable.

3. If a truce should be the objective, what terms would be considered the best possible and what terms would be considered the best obtainable.

4. If defeat of the Communist forces is the objective, what further means are necessary or desirable to that end:

(a) Will it serve to release or employ forces of the Chinese Nationalist Government and if so where—in Korea, in an independent attack upon the Chinese mainland, or both?

(b) Why are not the 500,000 South Korean Army reserves equipped and employed in the Korean fighting?

(c) What is the effect upon this objective of the "sanctuaries" and other zones of restricted attack to which references have been made by General MacArthur and others?

(d) To what extent are strategic materials going into Red China from other parts of the world, and what is their effect upon the Red Chinese war potential and effectiveness?

(e) What is the purpose and effect of our Seventh Fleet blockade of the China coast?

5. Are the policies being pursued by the United Nations and the United States in the Far East adequately serving the interests and security of the United States in a strategy of world-wide resistance and preparation for defense against Communist aggression?

Only an investigation of the sort I propose will permit Congress, which must be fully equipped with positive knowledge to pass upon matters of such vital interest to the national security, to resolve these and related issues in accordance with its functions and responsibilities.

JOINT COMMITTEE TO INVESTIGATE CERTAIN MATTERS CONNECTED WITH ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. GREEN submitted the following concurrent resolution (S. Con. Res. 23), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there is hereby created a joint congressional committee to be composed of five Members of the Senate to be appointed by the President of the Senate and five Members of the House of Representatives to be appointed

by the Speaker of the House of Representatives. The joint committee shall select a chairman from among its members. A vacancy in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original appointment.

SEC. 2. It shall be the duty of the joint committee to make a full and complete study and investigation of all matters connected with the election of the President and Vice President from the time of the nomination of the President and Vice President, through the time of their election and the time of their inauguration until the termination of their respective terms of office, with the purpose of making the law certain as to the Presidential election and succession. These matters shall include, but shall not be confined to, the following:

(1) Whether or not the President and Vice President should be elected by the electoral college, as at present, and if so whether or not the members should be legally bound to vote in accordance with their instructions.

(2) Whether or not provision should be made for the case where before the election of Presidential electors, or after such time but before the election of President and Vice President, a candidate for the Presidency or for the Vice Presidency dies, declines to run, or is found ineligible to take office if elected.

(3) Whether or not provision should be made for the case of the death of any of the individuals from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

(4) How it shall be determined whether the President, or individual acting as President, is unable to execute the powers and duties of the office, and how the duration of such inability shall be determined.

(5) Whether or not provision should be made for an individual to execute the office of President in case of removal, death, resignation, or inability, both of the President and Vice President, where by reason of removal, death, resignation, or inability there is no individual upon whom the powers and duties of such office would otherwise automatically devolve.

(6) Whether there are, or should be, any differences between the status, powers, duties, and privileges of an elected President and any other individual executing the office of President.

SEC. 3. The joint committee shall report to the Senate and House of Representatives the results of its study and investigation together with its recommendations, including drafts of legislation recommended and of any proposed constitutional amendments considered necessary or desirable. The joint committee shall submit its final report to the Senate and House of Representatives not later than December 31, 1951, and thereupon the existence of the joint committee shall terminate.

SEC. 4. For the purposes of this concurrent resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Congress, to employ counsel, clerical, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of

the joint committee, which shall not exceed \$10,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman of the joint committee. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

INTERPRETATION OF LAW RELATING TO CHARGES OF EDUCATIONAL INSTITUTIONS FOR TRAINING OF VETERANS

Mr. MURRAY submitted the following resolution (S. Res. 124), which was referred to the Committee on Labor and Public Welfare:

Whereas the intent of Congress as set forth in Public Law 266, Eighty-first Congress, the Independent Offices Appropriations Act, 1950, approved August 24, 1949, pertaining to the manner in which funds available thereunder could be spent for education and training of veterans was to some extent misinterpreted or misconstrued in carrying out the terms of Public Law 266; and

Whereas the Congress, in order to remove any ambiguity which might have existed with respect to the language contained in Public Law 266, revised and enlarged upon the original language contained therein by enacting remedial legislation in the form of Public Law 610, Eighty-first Congress, approved July 13, 1950; and

Whereas there has apparently been some misunderstanding of the congressional intent as expressed in Public Law 610 and as set forth in the statement of the House managers in explanation of the action agreed upon and recommended in the conference report on such legislation: Therefore, be it

Resolved, That for the purpose of interpreting the terms of Public Law 610, Eighty-first Congress, approved July 13, 1950, in accordance with the statement of the House managers as aforesaid, it is the sense of the Senate that—

1. The provisions of section 2 of Public Law 610, which amended paragraph 11, part VIII, of Veterans Regulation No. 1 (a), as amended, relating to the customary cost of tuition and to other charges required by educational institutions for the training of veterans under that act were and are intended to apply to all courses of training covered by contract or other agreement, without respect to the calendar duration established or the weekly hours of attendance required for such courses.

2. By enacting the provisions of section 2 of Public Law 610, it was and is intended that a contract including tuition, fees, or other charges for a course shall be considered as an entity in determining the rate or rates to be paid to the institution for such course.

3. Section 3 of Public Law 610, which amended paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, was and is intended to provide that any institution (and not only institutions of higher learning) shall be regarded as a nonprofit institution for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944.

4. It was and is intended by enacting Public Law 610, that, in the case of any educational or training institution which has entered into one or more contracts in two

successive years, the rate established by the most recent contract shall be considered the customary cost of tuition.

CHANGE OF REFERENCE

Mr. MURRAY. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of the bill (S. 616) to raise the limit placed on monthly disability compensation payable to veterans suffering from service-connected quadriplegia, and that it be referred to the Committee on Finance.

It is the sense of the Committee on Labor and Public Welfare that this measure properly comes within the scope and jurisdiction of the Finance Committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

THE RESPONSIBILITY OF THE UNITED STATES IN BUILDING A STABLE WORLD—ARTICLE BY SENATOR LODGE

[Mr. LODGE asked and obtained leave to have printed in the Record an article entitled "To Regain the Peace Initiative," written by him and published in the New York Times magazine of April 8, 1951, which appears in the Appendix.]

SERVICE OF THE FORTY-FIFTH DIVISION, AND COMMENT ON GENERAL MACARTHUR—PRESS RELEASE BY SENATOR KERR

[Mr. KERR asked and obtained leave to have printed in the Record a press release issued by him April 8, 1951, regarding the use of the personnel of the Forty-fifth Division, and commenting on General MacArthur, which appears in the Appendix.]

GOVERNMENT OF PETROLEUM, BY PETROLEUM, FOR PETROLEUM—ADDRESS BY HAROLD L. ICKES

[Mr. MURRAY asked and obtained leave to have printed in the Record an address on the subject "Government of Petroleum, by Petroleum, for Petroleum," by Harold L. Ickes, former Secretary of the Interior, at the annual convention of Americans for Democratic Action, in Cleveland, Ohio, February 24, 1951, which appears in the Appendix.]

GRAZING PROBLEMS OF BLACKFEET INDIANS IN MONTANA—ARTICLE FROM THE NEW YORK TIMES

[Mr. MURRAY asked and obtained leave to have printed in the Record an article discussing problems of the Blackfoot Indians of Montana, published in the New York Times of February 21, 1951, which appears in the Appendix.]

AMERICAN AIR POWER IN A STRUGGLE WITH SOVIET RUSSIA—ARTICLE BY MAJ. ALEXANDER P. DE SEVERSKY

[Mr. KEM asked and obtained leave to have printed in the Record an article entitled "Reds Can't Shift Base Once War Has Started," written by Maj. Alexander P. de Seversky and published in the New York Journal-American of March 25, 1951, which appears in the Appendix.]

INDIA'S FOOD CRISIS—EDITORIAL FROM THE WASHINGTON POST

[Mr. LEHMAN asked and obtained leave to have printed in the Record an editorial entitled "India's Food Crisis," published in the Washington Post of April 2, 1951, which appears in the Appendix.]

RADIO SPOT ANNOUNCEMENTS ON LAW AND ORDER BY AMERICAN HERITAGE FOUNDATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD a list of officers of the American Heritage Foundation, a list of the members of the board of trustees of the foundation, and the text of several spot announcements on the crime problem by the foundation, which appear in the Appendix.]

LIVE SAFELY, LIVE HAPPILY—ADDRESS BY JOHN G. DECKER

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an address entitled "Live Safely, Live Happily," delivered by John G. Decker, of Milo, Maine, winner of a national speaking contest, which appears in the Appendix.]

THE VISIT OF THE PRESIDENT OF FRANCE—ARTICLE BY ANNE O'HARE MCCORMICK

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article by Anne O'Hare McCormick, published in the New York Times on April 4, 1950, dealing with the recent visit of the President of France to the United States, which appears in the Appendix.]

MORAL DISARMAMENT AND THE PROPAGANDA OF CHINESE COMMUNISM—EDITORIALS FROM THE LONDON ECONOMIST

[Mr. BENTON asked and obtained leave to have printed in the RECORD two editorials published in the London Economist on March 24, 1951; one entitled "Moral Disarmament," the other "The Propaganda of Chinese Communism," which appear in the Appendix.]

COLONIALISM: UNITED STATES STYLE—ARTICLE BY FELIX S. COHEN

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Colonialism: United States Style," written by Felix S. Cohen, and published in February 1951 issue of the Progressive, which appears in the Appendix.]

NECESSITY OF AN AMERICAN MERCHANT MARINE—ARTICLE AND EDITORIAL FROM THE MOOREMACK NEWS

[Mr. O'CONNOR asked and obtained leave to have printed in the RECORD an article and an editorial from the Mooremack News for March 1951, discussing the necessity for an American merchant marine, which appear in the Appendix.]

PROPOSED DEFERMENT OF COLLEGE STUDENTS—EDITORIAL FROM THE PORT WASHINGTON (WIS.) HERALD

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an editorial regarding the proposed deferment of college students, published in the Port Washington (Wis.) Herald, which appears in the Appendix.]

THE BURDEN OF TAXATION IN THE UNITED STATES—EDITORIAL FROM THE PHILADELPHIA DISPATCH

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Down the Road to Disaster," published in the Philadelphia Dispatch of April 1, 1951, which appears in the Appendix.]

ILLEGAL MEXICAN IMMIGRATION—ARTICLES BY GLADWIN HILL

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a series of five articles by Gladwin Hill, dealing with illegal Mexican immigration into the United States, published in the New York Times, March 25-29, 1951, which appear in the Appendix.]

ASSIGNMENT OF GROUND FORCES TO DUTY IN EUROPE—EDITORIAL COMMENT

[Mr. MCFARLAND asked and obtained leave to have printed in the RECORD two editorials having to do with the furnishing of troops for service in Europe, the first entitled "Troops for Europe," published in the New York Times of April 5, 1951, the second entitled, "The Bridges Are Burned," published in the Washington Evening Star of April 5, 1951, which appear in the Appendix.]

THE SIXTY-FIFTH REGIMENT—EDITORIAL TRIBUTE IN THE NEW YORK TIMES

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial which appeared in the New York Times of Monday, April 9, entitled "The Sixty-fifth Regiment."

This editorial is in appreciation of the courage and splendid service rendered by the Sixty-fifth Regiment of the Third Division, composed entirely of American citizens of Puerto Rican birth fighting as a unit. The outstanding record of this unit can be a source of pride to all good citizens of our country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SIXTY-FIFTH REGIMENT

Col. William W. Harris, who commands it, says that the Sixty-fifth Regiment of the Third Division has morale as high as or higher than any other in Korea. The regiment has been cited for its accomplishments above and beyond the call of duty. Its gallantry in the Hungnam evacuation was conspicuous. It has been in heavy action, but has more volunteers for replacement than it can use.

It happens that the Sixty-fifth is made up entirely of one special variety of Americans. It is a body of Puerto Ricans, fighting as a unit. This country has every reason to be proud of them and grateful to them. They are good fighting men, good citizens, and good human beings. It is a pleasure to salute them and to offer felicitations on their fine record.

TITLE TO SUBMERGED OIL LANDS

Mr. CONNALLY. Mr. President, the Dallas Morning News recently printed a series of nine articles on the Federal Government's plan to seize submerged oil lands from the States. These articles were prepared by Allen Duckworth. They stimulated widespread interest and a great many persons felt that for the first time the real story of the tidelands issue had been told.

Former Secretary of the Interior, Harold L. Ickes, took exception to the articles and went so far as to make an unwarranted attack upon Mr. Ted Dealey, the editor of the Dallas Morning News, even accusing Mr. Dealey of lying. Mr. Dealey's only comment was that, "the traditions and the integrity of the Dallas Morning News are sufficient answer to Mr. Ickes' accusations."

Let me say here, too, that the honesty and character of Ted Dealey are such that they completely refute Mr. Ickes' slanderous charge. Mr. Dealey is one of the outstanding publishers of the country, and his reputation as a journalist is of the highest.

By way of showing his fairness in the matter Mr. Dealey reprinted in the

March 29, 1951, issue of the Dallas Morning News the article by Mr. Ickes.

In the same issue Allen Duckworth, the author of the original nine articles, answers Mr. Ickes. Also in this issue is reprinted a letter to the News from former Senator T. H. McGregor, of Austin, Tex., an outstanding lawyer and public citizen of my State. In this letter Senator McGregor makes some pertinent comments on the tidelands controversy.

Mr. President, because of the intense interest in this matter, I feel that these articles are worthy of inclusion in the CONGRESSIONAL RECORD. Accordingly, I ask unanimous consent that the articles be reprinted in today's issue of the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

(By Harold L. Ickes)

Recently I received two interesting letters from unknown correspondents. One from Syracuse, N. Y., said: "You may be aware of the currently appearing series of articles in the Dallas (Tex.) Morning News, St. Louis Globe-Democrat, and other such papers. It is one of the most nasty bits of yellow journalism I have seen in years."

In the other, a resident of Dallas wrote: "I just can't help it to keep from writing you a few lines and tell you what a dirty newspaper can do to an honest man. I am sending you clippings from the Dallas Morning News."

In this space last week, I told of the shameless lies that appeared in the paper mentioned for a considerable period under the byline of Allen Duckworth, who seems to have no regard for newspaper ethics, as they sometimes are, when the publisher has some ulterior purpose to serve, or when the business office clamors in behalf of some profitable advertiser.

It was natural that the Los Angeles Times should be printing the Duckworth inventions simultaneously with their appearance in the sheet that might more appropriately be named the "Dallas prevaricator." However, I had assumed that few of the more reputable papers of the country would expose themselves to the charge that they were willing to print allegations that even a copy boy of average intelligence would know, or at least suspect, were a not too skillfully woven web to catch the credulous, the prejudiced, or the ignorant.

To my surprise a number of newspapers have been willing to accept and print the invention, the big grab of tidelands, by the versatile Mr. Duckworth without consulting their lawyers or without giving the person chiefly attacked, who happens to be the writer, a chance to point out its obvious untruths. As a matter of fact, I have answered, on other occasions, some of the misstatements that have been made into a Hungarian goulash by Mr. Duckworth and heavily sprinkled with cayenne pepper to stimulate the appetites of fellow Munchausens.

Among the items sent to me by my Dallas correspondent was an article that appeared in the Morning News on March 10. This hands Ted Dealey, News president, an implied bouquet for inventing, or at least for printing, the Duckworth series. It appears that Mr. Dealey, himself apparently a patron of the fine art of lying, offered the big grab articles for simultaneous publication to some 24 newspapers.

Who is paying the toll for such heavy traffic is not disclosed. Of course, the oil interests are liberal spenders, but one wishes to absolve even them of financing such a dirty business as this concoction of liber-

time lies and sleazy slanders directed against the public interest in defense of those who have trespassed upon offshore oil lands and extracted huge profits from them.

According to the sleeve-dealing Mr. Dealey, 24 papers were using all, or part of, "the big grab" series. Among these, he lists surprisingly, newspapers that have in the past been regarded as too reputable either to invent or to repeat falsehoods. I do not place the Los Angeles Times in this category, but I distinctly do so class such papers as the Kansas City Star, the Miami Herald, the Minneapolis Star and Tribune, the San Francisco Chronicle, the St. Louis Globe Democrat, the Atlanta Journal, the Baltimore Sun, the Nashville Banner, the New Orleans Times-Picayune, the Daily Oklahoman, the Galveston News, and the Phoenix Republic and Gazette, as well as others listed by Mr. Dealey. Of course, I do not know whether Mr. Dealey was telling the truth in involving these newspapers in the Morning News' unprincipled assault upon the Supreme Court and President Truman. Truth in one short, self-serving article is not to be presumed when, in the same paper, lies by the column have been appearing day after day.

Mr. Duckworth will probably feel ill at ease in such company, but I would like to introduce him to a few truths which his articles indicate that he never met:

1. With the consent of President Roosevelt, Attorney General Biddle was preparing to file a suit against California to determine the title to its offshore oil lands. After Roosevelt's death, President Truman renewed the Presidential consent.

2. The Attorney General did not need the consent of Congress to bring the suit. He had the power to do this, subject only to the authority of the President.

3. Orders were not sent to the land commissioner in Los Angeles to act quickly on any oil and gas lease application. Instructions were sent to forward certain applications, as well as an itemized list of all applications.

4. The writer never suggested to anyone, friend or foe, that he file an application for a Federal tidelands or other lease.

5. Prior to the California case, there were no Supreme Court decisions that "favored State control of offshore lands," let alone 53 such decisions.

6. The Supreme Court has said many times that the Federal Government has no paramount rights and interests in, and to, offshore oil lands; coastline States have suffered no impairment of their offshore rights.

7. No inland waterway anywhere in the country is endangered.

Harold L. Ickes, in his second attack on the Dallas Morning News' tidelands series, the Big Grab, raises seven points.

"1. With the consent of President Roosevelt, Attorney General Biddle was preparing to file a suit against California to determine the title to its offshore lands. After Roosevelt's death, President Truman renewed the Presidential consent."

In its series, the News said that no suit was filed in an attempt to seize tidelands from the States until after the death of President Roosevelt.

The record on which the News based that statement is as follows:

President Roosevelt died April 12, 1945.

Attorney General Francis Biddle, on May 29, 1945, filed a suit in Federal district court in Los Angeles, Calif., not against the State of California in the Supreme Court was filed, not by Biddle, but by his successor, Attorney General Tom Clark. The district court suit against the oil company was dismissed.

The News observed in its series that while Roosevelt was alive "nothing was done about suing the States."

"2. The Attorney General did not need the consent of Congress to bring the suit. He had the power to do this, subject only to the authority of the President."

The News did not say the Attorney General did not have authority to file a suit.

The News did cite previous attempts in Congress to get legislation against States, and give to the Attorney General specific congressional authority to proceed.

A resolution was considered by Congress in 1938 that would have "authorized and directed" the Attorney General of the United States "by and through speedy and appropriate judicial proceedings, to assert, ascertain, and establish the right, title, interest, or possession of the United States to the submerged lands. * * *

This resolution was not passed; nor were similar resolutions.

"3. Orders were not sent to the land commissioner in Los Angeles to act quickly on any oil and gas lease application. Instructions were sent to forward certain applications, as well as an itemized list of all applications."

TESTIMONY QUOTED

The News quoted from testimony of February 5-7, 1946, hearings before the Committee on the Judiciary of the United States Senate.

During that hearing, Robert W. Kenny, then attorney general of California, made this statement:

"On May 17, 1944, the Commissioner of the General Land Office in Washington (Department of the Interior) sent the following memorandum to the registrar of the land office in Los Angeles:

"WASHINGTON, D. C., May 17, 1944.

"Memorandum to the registrar:

"If an application for an oil and gas lease is presented by W. W. Chapin of San Francisco or C. P. Ritter of Los Angeles, or anyone on their behalf, or on behalf of either of them, files in such case should be immediately transmitted to this office for consideration. If any application is now pending in your office by the above-named party will you immediately transmit, giving status of land as shown by your reports and calling attention to this memo. Your report should include a careful record of any previous application.

"JOHNSON, Commissioner."

WIRE INTRODUCED

Attorney General Kenny then introduced what he offered as a wire from Commissioner Johnson to the Los Angeles office:

WASHINGTON, D. C., June 24, 1944.

No reply received to my memorandum of May 17 and June 15 regarding application of W. W. Chapin or C. P. Ritter or by the Regent Oil Co. Wire reply to reach here before 4 o'clock eastern time if any such filings in your office, and if received and not yet mailed transmit by airmail.

JOHNSON, Commissioner.

Kenny offered the following in evidence as the reply:

"In compliance with your memorandum of May 17 we transmit herewith oil and gas lease application 056460 filed by C. P. Ritter, president of the Consolidated Petroleum Co., describing tidelands which we believe are being used by the Navy Department. Mr. Ritter presented a letter from the Secretary of the Interior suggesting that he file an application and stating that he would get to the bottom of this matter pertaining to tidelands. * * *

The next point raised by Ickes:

4. The writer (Ickes) never suggested to anyone, friend or foe, that he file an application for a Federal tidelands or other lease.

If the above-quoted letter, mentioning the Ritter application, as offered in evidence by Kenny, is not accurately quoted, then Ickes should call this to the attention of the

United States Senate and have the record corrected.

Testimony by Ickes before the joint hearings before the Committees on the Judiciary of the Congress, in 1948, told of talks with Chapin and Ritter.

VISIT BY CHAPIN

On page 1127, Ickes testified: "William Wallace Chapin of San Francisco came in to see me. The date I cannot fix. He frequently came in to see me, usually when he was in Washington, and on this occasion he told me that he was interested in an application for a lease and that application has been filed with the register in Los Angeles and turned down."

On page 1128 of the hearing record, Ickes testified:

"Mr. Chapin talked to me on two or three occasions about this. And subsequently Mr. Ritter came in. He went over the same ground. He had not anything new to add. Then I made up my mind that I thought the courts ought to decide this, since it was a legal question."

The next point by Ickes:

"5. Prior to the California case there were no Supreme Court decisions that favored State control of offshore lands, let alone 53 such decisions."

Ickes quotes the News correctly. The News did say that previous decisions favored State control.

Both the majority and the minority opinions in the California case mention that language of the Court in past opinions, although never on the direct question of the Federal Government against the States, had left the impression that the State owned their offshore lands.

BASIC DOCTRINE

Said Judge Hugo Black in the majority opinion: "As previously stated this Court has followed and reasserted the basic doctrine of the Pollard case many times (*Pollard v. Hagan*, 3 How. 212), and in so doing it has used language strong enough to indicate that the Court then believed that the States not only owned the tidelands and the soil under navigable inland waters, but also owned soils under navigable waters within their territorial jurisdiction, whether inland or not."

Said Justice Stanley Reed, in his dissenting opinion: "While no square ruling of this Court has determined the ownership of those marginal lands, to me the tone of the decisions dealing with similar problems indicates that, without discussion State ownership has been assumed. *Pollard v. Hagan*, supra; *Louisiana v. Mississippi* (202 U. S. 1, 52); *The Abby Dodge* (223 U. S. 166); *New Jersey v. Delaware* (291 U. S. 361, 295 U. S. 694)."

Space does not permit quotation from every case in the Supreme Court where reference to *Pollard v. Hagan* has been approved. Several legal authorities can be quoted on this, however, in the interest of space. One is John D. McCall, of Dallas.

McCall appeared at a congressional hearing as the designated representative of the American Bar Association. He was so designated by Tappan Gregory, then president of the American Bar Association, and such an appearance to testify was approved by the bar association's house of delegates.

McCall recalled testimony in the *Pollard v. Hagan* case, and added that the case had been cited "with approval by 52 subsequent Supreme Court decisions, 244 Federal and State court decisions, and has been consistently followed for 100 years without dissent."

To continue with Ickes' points:

"6. The Supreme Court has said many times that the Federal Government has paramount rights and interest in and to offshore oil lands; coast line States have suffered no impairment of their offshore rights."

The News has received information that causes it to believe there has been an impairment of offshore rights as a result of the Supreme Court decisions saying that Texas, Louisiana, and California do not own the marginal sea along their coasts.

Assistant Attorney General Dow Heard, of Texas, asked Dennis Wallace, of the Texas General Land Office, for status of drilling for oil off the Texas coast.

Wallace replied that there had been 19 offshore wells drilled before the Supreme Court decision against Texas, and "no well has been drilled since June 2, 1950, the date of the opinion in the Texas case."

Heard queried the land office at Baton Rouge, La., and was told by Lucille May Grace, register, that since December of last year drilling operations have been just about completely curtailed.

Last month Representatives J. W. COMBS, of Beaumont, testified before a Senate committee in behalf of legislation to proclaim once and for all that the marginal sea belongs to the States.

"I have pictures here of 20 drilling barges tied up at Orange, Tex., that have been there since last March rusting down," Congressman COMBS told the committee.

Those drilling barges can be put to work seeking needed oil if Congress clears the titles to the submerged offshore lands, he said.

"7. No inland waterway anywhere in the country is endangered."

This last point by Ickes is a matter of legal and political opinion.

Conservative thinkers believe that every step by the Federal Government to gain a new power puts the Federal Government in a position to argue for still more powers.

Commenting on the Supreme Court's tidelands opinion, the Florida Law Review (Spring 1948) said:

"If a State owns to the low-water mark only, do inland waters exist any longer unless completely surrounded by the dry land of one State at low tide? * * *

"The next step logically, having in practical effect overruled the *Abby Dodge* (case) in the California case, is to overrule the Pollard case wherever strategic materials under inland waters are found, and to assign these to the Federal Government. The final step is to overrule the other cases that stand in the way and allocate to the Federal Government all strategic resources wherever situated."

Ickes' column this week in the New Republic magazine also questions the motives of the Dallas News, and attacks the president of the News, Ted Dealey.

"The traditions and the integrity of the Dallas Morning News are sufficient answer to Mr. Ickes' accusations," was Dealey's comment.

LEGAL REVIEWERS ON TIDELANDS LAW

(By Allen Duckworth)

Harold Ickes in the New Republic magazine insists that the legal aspects of the tidelands seizure has been made quite plain and that the News' stories are a deliberate attempt to distort and mislead.

Let us examine some of the legal facts in the suit of the United States against the State of Texas.

After the Supreme Court ruled, Attorney General Price Daniel filed a motion for rehearing in the Texas case.

A joint memorandum was attached to that motion.

The memorandum read as follows:

"Based on our individual research and consideration of the pleadings, briefs, and evidentiary materials, each of us has prepared a separate memorandum opinion on the title to the lands and minerals underlying the Gulf of Mexico within the original boundaries of the State of Texas and the rules of international law applicable thereto. These memoranda were written at the re-

quest of the attorney general of Texas prior to the Court's decision of June 5, 1950.

"Without collaboration, each of us concluded:

"1. The Republic of Texas, as an independent nation, had full sovereignty over and ownership of the lands and minerals underlying that portion of the Gulf of Mexico within its original boundaries 3 leagues from shore. Under international law and under domestic law adopted by the Republic of Texas, the ownership (dominion) of the sub-jacent soil and minerals was severable from the paramount governmental powers (imperium) employed in the original acquisition and in the regulation and control of commerce, navigation, defense, and international relations.

"2. The transfer of national sovereignty and governmental powers relating to interstate and foreign commerce, navigation, defense and international relations from the Republic of Texas to the United States in 1845 did not effect a transfer or relinquishment of the ownership of the lands and minerals above described. International law, as it existed in 1845, did not imply or require a cession of these proprietary rights with a transfer of national sovereignty.

"3. The Republic of Texas, upon annexation, did not cede to the United States the ownership of the controverted 2,608,774 acres of lands and minerals within its original boundaries, but specifically retained this ownership under the terms of the agreement between the Republic of Texas and the United States."

The memorandum pleaded for the Supreme Court to at least examine evidence, a plea the court overruled.

"Available evidence of the status of international law," the memorandum said, "would support the conclusions of fact and law."

One of the points made in the big grab series was that Texas was hustled in and out of the Supreme Court and evidence was not heard.

Although Mr. Ickes does not discuss this point directly, he does brand the entire development of the tidelands seizure, as seen by the News' writer, as a tissue of lies and a deliberate attempt to mislead the public.

The memorandum from which we have quoted, and which was supported by facts and law, was signed by 11 legal authorities.

Since Mr. Ickes has a license to practice law, he should be interested in the identity of these authorities. They were:

Joseph Walter Bingham, chairman of the International Law Association's committee on rights in the sea bed and its subsoil, and professor of international law at Stanford University from 1907 to 1944.

Roscoe Pound, professor of jurisprudence and dean of Harvard Law School, 1900-1936; director of the National Conference of Judicial Councils, author of more than 850 books, articles, and addresses on jurisprudence, international law, and constitutional law.

William W. Bishop, Jr., assistant legal adviser, Department of State, 1939-47; legal adviser to the United States Delegation, Council of Foreign Ministers and Paris Peace Conference, 1946.

C. John Colombos, King's Counsel, author of *International Law of the Sea* and other works on international law.

Gilbert Gidel, a member of the Institute of International Law, president of the Curatorium of the Academy of International Law at The Hague; French delegation to the 1930 Hague Conference for Codification of the Law of Territorial Waters; author of *Public International Law of the Sea*.

Manley O. Hudson, member and first chairman, United Nations International Law Commission; judge of Permanent Court of International Justice, 1936-46; professor of international law at Harvard University; author of more than 300 articles on international law.

Charles Cheney Hyde, former solicitor of the Department of State, professor of international law and diplomacy at Columbia University from 1925 to 1945; president of the American Society of International Law, 1946-49.

Hans Kelsen, legal adviser to the Austrian Government and draftsman of the Federal Constitution of Austria, 1919-22; member of the Constitutional Court of Austria, 1921-29; author, *General Theory of Law and the State*.

William E. Masterson, Department of State consultant, 1944-47; adviser on research in international law, Harvard Law School; author of *Jurisdiction in Marginal Seas* and numerous articles on international law.

Stefan A. Riesenfeld, professor of law, University of Minnesota; Special consultant, Board of Economic Warfare, 1942-43; author of numerous articles on international law.

Felipe Sanchez Roman, former member of the Permanent Court of Arbitration at The Hague, member of the Spanish National Academy of Jurisprudence and Legislation, legal adviser to Spanish and Mexican Governments, professor of civil law at the Central University of Madrid, 1916-36.

Lawyer Ickes may now desire to brand these distinguished scholars as tools of the oil barons simply because they, like the News, believe that Texas is right and the Federal Government is wrong in this particular case.

FUTILE CONGRESSMEN

To the News:

I have seen the tidelands grab from its crooked beginning unto its ugly ending in the stultifying opinion of the Supreme Court. I have watched with constant admiration the splendid fight of Attorney General Price Daniel as he sought to save the sovereignty and integrity of Texas. I have read with gripping interest the articles of Allen Duckworth. He has the power of statement in a remarkable degree. He observes chronology and preserves a sustained continuity in stating facts.

Everybody has known that the President was behind and in favor of this grab. His reason given in his veto of the measure giving the lands to the States did not reflect a fact—was a sham.

There has not been a time in the progress of this grab when the Texas congressional delegation could not have stopped and prevented it if it had had the courage, patriotism, and loyalty to Texas which it should have had and had been willing to give up its pork, prestige, and patronage flowing from the President. If they had gone to the President and told him they would not permit the administration to grab this heritage of the children of Texas, and that unless he desisted in his efforts they would no longer cooperate with him, but would go with Texas, Louisiana and California would have joined them, and Mississippi was already so far out of his control that their post offices were being sold.

Horatio held the bridge; Leonidas stood at the pass; but 25 Texans did not keep 1 man from grabbing an empire.

T. H. MCGREGOR.

AUSTIN, TEX.

CORRESPONDENCE RELATING TO THE PACIFIC FISHERIES CONFERENCE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a letter dated February 7, from Shigeru Yoshida, Prime Minister of Japan, to Ambassador John Foster Dulles, dealing with the Pacific fisheries question; the letter from Ambassador John Foster Dulles to the Prime Minister, and the letter dated March 21, 1951, addressed to Secretary of State Dean Acheson by Mr.

Miller Freeman, Chairman, Pacific Fisheries Conference.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TOKYO, JAPAN, February 7, 1951.

MY DEAR AMBASSADOR: In connection with conversations which we have had about fisheries, I am glad to advise you as follows:

The Japanese people largely depend upon fish for their food supply. They have, therefore, a very special interest in the conservation and development of fisheries. The Japanese Government recognizes that the problem of conserving and developing fisheries located in the high seas is a difficult one, and that these fisheries may be quickly exhausted unless there is concerted action for the conservation and development of fisheries. We are aware of the fact that certain countries have adopted international agreements and voluntary self-denying ordinances to prevent the exhaustion of high-seas fisheries which are readily accessible to fishermen of their own country, and that if these conserved fisheries were to be subjected to uncontrolled fishing from other countries, the result would be international friction and the exhaustion of the fisheries themselves.

Accordingly, the Japanese Government will, as soon as practicable after the restoration to it of full sovereignty, be prepared to enter into negotiations with other countries with a view to establishing equitable arrangements for the development and conservation of fisheries which are accessible to the nationals of Japan and such other countries.

In the meantime, the Japanese Government will, as a voluntary act, implying no waiver to their international rights, prohibit their resident nationals and vessels from carrying on fishing operations in presently conserved fisheries in all waters where arrangements have already been made, either by international or domestic act, to protect the fisheries from overharvesting, and in which fisheries Japanese nationals or vessels were not in the year 1940 conducting operations. Among such fisheries would be the salmon, halibut, herring, sardine, and tuna fisheries in the waters of the eastern Pacific Ocean and Bering Sea.

The Japanese Government will set up a commission, composed of representatives of both government and industry, whose duty it shall be to see that the above-mentioned prohibition is fully observed, and duly appointed representatives of interested foreign governments will be invited to sit on the commission as observers.

Any party the commission finds guilty of violation shall be subject to substantial penalty, including revocation of his fisheries license.

I trust that the foregoing voluntary arrangements will constitute convincing evidence of the desire of the Japanese Government to deal with this whole problem in an equitable manner, designed to promote good will for and the mutual interest of all who, directly or indirectly, depend for their livelihood upon fishing in the high seas.

I remain with the highest consideration,
Most sincerely yours,

SHIGERU YOSHIDA,
Prime Minister.

MY DEAR MR. PRIME MINISTER: I am in receipt of your letter of February 7 with relation to high seas fisheries. I note with gratification the position of your government as therein set forth.

It is a good omen for the future that the Japanese Government should already now indicate its willingness voluntarily to take measures for the protection of conserved fisheries.

The Government of the United States, and I am confident other governments con-

cerned, will be prepared, promptly after the restoration to Japan of full sovereignty by a peace treaty, to enter into negotiations with a view to establishing equitable arrangements for the development and conservation of fisheries which are accessible to the nationals of our countries. I am confident that our Government will approach these negotiations in a spirit of good will corresponding to that which motivates your letter to me.

Sincerely yours,

JOHN FOSTER DULLES,

MARCH 21, 1951.

HON. DEAN G. ACHESON,
Secretary of State,

Washington, D. C.

DEAR MR. ACHESON: Pacific Fisheries Conference has carefully considered the recent exchange of letters concerning fisheries, between Prime Minister Yoshida and Ambassador Dulles.

We wish to express our appreciation for the recognition of the importance of the subject by your Department and wish also to congratulate both your Department and Mr. Dulles for his success in establishing such a cordial and cooperative relationship in this matter with the Japanese Government. The acceptance by the Prime Minister of the principles for which this conference has stood, both from a Japanese as well as an American viewpoint, should go far toward securing an agreement between the two countries which will avoid friction in fishery matters and promote the spirit of good will between them which is so earnestly desired by the responsible leaders of both nations.

Nevertheless, we wish to point out that the fishing industry not only of the Pacific Coast but of the entire United States, can regard this correspondence, however commendable, as only a first step. The industry is firm in its conviction that neither the best interests of our own country, nor the cause of permanent peace in the Pacific will be served until the proposals made by this conference and now accepted in principle by the Japanese Government, are embodied in a fisheries treaty between Japan and the United States.

The fisheries industry recognizes that matters of high national interest may be involved in the early conclusion of a peace treaty with Japan and has no desire to delay such conclusion. However, such progress has now been made, not only in the negotiations by Mr. Dulles but also by previous investigations, that we urge your Department to proceed at once, in consultation with the fishing industry, to agree upon the specific terms of a fisheries treaty which can be submitted to Japan at the earliest opportunity which in the opinion of the United States Government will not interfere with the conclusion of a general peace treaty with Japan.

The voluntary agreement of the Prime Minister to maintain the status quo with reference to Japanese fishermen refraining from entering developed American fisheries pending the negotiation of a fishing treaty, is a commendable indication of cooperation upon the part of the Japanese Government.

In conclusion, may we again express our appreciation for the initiation of steps toward avoiding the danger of fishery disputes across the Pacific before incidents occur which could well destroy the present friendly relationship between Japan and ourselves, and again make most emphatic the necessity for consummating a definite fisheries treaty at the earliest moment consistent with national interest.

This letter has been approved by the officers and the executive committee of Pacific Fisheries Conference, consisting of Miller Freeman, Chairman; Edward W. Allen, Vice-Chairman; Montgomery Phister, Secretary; Milton E. Brooding, Chairman of Executive

Committee; Donald P. Loker, Thomas F. Sandoz, Harold F. Cary, Harold E. Lokken, and James Waugh, members of Executive Committee.

Respectfully,
PACIFIC FISHERIES CONFERENCE,
MILLER FREEMAN, Chairman.

EDUCATION, THE WELLSPRING OF DEMOCRACY—BOOK BY EARL JAMES McGRATH

Mr. HILL. Mr. President, I ask unanimous consent to insert in the body of the RECORD an article from the March 29 issue of the Montgomery Advertiser, Montgomery, Ala., with reference to a very excellent volume entitled "Education—the Wellspring of Democracy."

Through this work its author, Dr. Earl J. McGrath, the able United States Commissioner of Education, draws upon his vast experience to make a further contribution to the cause of education, which I and others here have fought so long to advance.

I commend to the thoughtful reading of every Member of Congress this graphic portrayal of our existing national crisis in education and the indispensability of an informed, intelligent citizenry to the defense of freedom, the preservation of democracy, and the building of lasting peace.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

McGRATH URGES STRONGER SCHOOLS TO
RESIST REDS

UNIVERSITY, ALA., March 28.—Communism can be most effectively resisted by strengthening and extending our public-school system and by teaching genuine democratic ideals, declares Dr. Earl James McGrath, United States Commissioner of Education, in his book *Education—the Wellspring of Democracy*, to be released Friday.

More school buildings, better equipment, more and better-trained teachers, modern techniques, courses adjusted to real-life needs of children and youth, and practicing the ideals of the Declaration of Independence and the Constitution will keep this country democratic and spread democratic freedoms in the world, states the noted educator.

The theme of Dr. McGrath's book, to be published by the University of Alabama Press, centers around his belief that preservation of the basic tenets of the American way of life, as well as the Nation's economic well-being, depends upon the continuing expansion of educational opportunities to all citizens, regardless of race, creed, or economic status.

SUPPRESSION OF LA PRENSA IN ARGENTINA—STATEMENT BY SENATOR O'CONOR

Mr. O'CONOR. Mr. President, I ask unanimous consent that there be printed in the RECORD a statement prepared by me regarding the day of mourning requested by the National Press Club because of the silencing of *La Prensa* in Argentina.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HERBERT R. O'CONOR
IN THE UNITED STATES SENATE

In the period since the Senate recessed on Thursday there was staged by the press and other communication facilities of this city and country and the Western Hemisphere generally an extraordinary observance which

deserves the fullest attention and the deepest consideration of all our people.

I refer to the day of mourning, at the request of the National Press Club, which was held on Friday by newspapers, magazines, and radio stations, the echoes of which resounded from one end of this hemisphere to the other.

The dictator's act by which Argentina's great daily, La Prensa, was silenced is a phase, a most portentous one, of the onslaught on the freedoms of the individual and of the press current in much of the world today. It is the method by which the dictators hope to silence criticism and comment upon their lawless policies and actions.

As the leading exponent of the free exchange of news and opinions in the world today, it was appropriate that the most important press group in the entire world, the National Press Club, should have conceived and initiated this hemisphere-wide protest against the silencing of one of the world's great newspapers.

It was an occurrence which should be pondered by free people everywhere. In the final analysis, there can be no assurance of maintenance of the rights of individuals anywhere unless the press is free at all times to report, to comment, to criticize, even to castigate, when occasion demands.

The flags which flew at half-mast atop newspaper offices, radio stations, and magazine offices in this country, Canada, Chile, Brazil, and elsewhere sounded a warning note to all who beheld them or read of them. What has happened in Argentina can and will happen elsewhere in countries still free unless the citizenry is alert to the dangers that lurk in paternalism, unless they resist the totalitarian siren call of promise of a "better life" if only they will yield their welfare into the hands of government.

Congratulations are due to the board of directors of the National Press Club, whose appreciation of the significance of Argentina's misfortune prompted the historic expression of sorrow at the death of the courageous La Prensa and the exile of its world-renowned editor. Congratulations also are due to the many splendid newspapers of the District of Columbia and the entire country, the magazines, the radio stations, and all who in any way or another joined in the observance. This impressive manifestation gave assurance to the world that freedom of the press is prized in our democratic system as a vital safeguard which must be preserved and maintained and that the people of the Western Hemisphere appreciate this fact to the fullest.

The lamentable happening thus memorialized brings to mind the poet's lament that—"Hope, for a season, bade the world farewell, And Freedom shrieked when Kosciuszko fell."

NATIONAL DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES

The Senate resumed the consideration of the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into, 20 minutes of debate is allowed to each side on the amendment offered by the Senator from Illinois [Mr. DIRKSEN], and on all other amendments which may be offered; except amendments to title III, as to which 30 minutes of debate is allowed to each side.

Mr. MAYBANK. Mr. President, I have discussed with the Senator from Nebraska the question of suggesting the absence of a quorum, with the understanding that the time is to be charged equally to both sides. Is that agreeable?

Mr. WHERRY. It is agreeable that the time consumed in the calling of a quorum be charged equally to both sides, or that it be not charged at all. I think we should have at least one quorum call.

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Gillette	Maybank
Anderson	Green	Millikin
Bennett	Hayden	Monroney
Benton	Hendrickson	Murray
Brewster	Hennings	Neely
Bridges	Hickenlooper	Nixon
Butler, Md.	Hill	O'Connor
Butler, Nebr.	Holland	O'Mahoney
Byrd	Humphrey	Pastore
Capehart	Ives	Robertson
Case	Jenner	Smathers
Chavez	Johnson, Colo.	Smith, Maine
Clements	Johnson, S. C.	Smith, N. J.
Connally	Kem	Smith, N. C.
Cordon	Kerr	Sparkman
Dirksen	Kilgore	Taft
Douglas	Knowland	Thye
Duff	Langer	Tobey
Dworschak	Lehman	Underwood
Eaton	Lodge	Watkins
Ellender	Long	Welker
Ferguson	McCarthy	Wherry
Flanders	McFarland	Wiley
Frear	McMahon	Williams
Fulbright	Malone	Young
George	Martin	

Mr. MCFARLAND. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Texas [Mr. JOHNSON], the Senators from Tennessee [Mr. KEFAUVER and Mr. McKELLAR], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

The Senator from North Carolina [Mr. HOEY], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Mississippi [Mr. STENNIS] are absent on official committee business.

The Senator from Wyoming [Mr. HUNT] is absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on official committee business.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Kansas [Mr. CARLSON] is necessarily absent attending the funeral of a friend.

The Senator from South Dakota [Mr. MUNDT] is absent on official committee business.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent by leave of the Senate on official business.

The Senator from Kansas [Mr. SCHOEPPFEL] is absent by leave of the Senate to attend the funeral of a friend.

The VICE PRESIDENT. A quorum is present.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Is it not a fact that debate is limited to 20 minutes on a side with respect to all titles of the bill, and

amendments thereto, with the exception of title III, and that with respect to title III, the debate on any amendment, motion, or appeal is limited to 30 minutes on a side?

The VICE PRESIDENT. The Chair had made that announcement before the roll call.

Mr. WHERRY. I thank the Chair. I did not hear it.

Mr. DIRKSEN. Mr. President, was the time consumed on Thursday last under the rule or not?

The VICE PRESIDENT. It was not.

Mr. DIRKSEN. On last Thursday I offered an amendment which I discussed at some length. I do not know whether the other side took time on the amendment. I think I should reserve time until the opponents—unless they accept the amendment—may have an opportunity to discuss it.

The VICE PRESIDENT. The Senator from South Carolina [Mr. MAYBANK] has control of the time.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SPARKMAN. May I ask the Senator from Illinois to what amendment he has reference?

Mr. DIRKSEN. It is the amendment dealing with title V, relating to prefabricated houses. The Senator will remember that I proposed to strike out the words "production or", so that the \$15,000,000 made available in the form of loans would be available only for the purpose of distribution, and not for production.

Mr. SPARKMAN. Is that the Senator's amendment lettered "F"?

Mr. DIRKSEN. Yes.

Does the Senator from South Carolina wish to take time on the amendment?

Mr. MAYBANK. Yes.

Mr. DIRKSEN. First of all let me say that I labored the amendment at some length on Thursday last, and there has been no further discussion of it. I ask unanimous consent that the amendment be again stated for the information of the Senate.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 101, line 7, it is proposed to strike out the words "production or."

On page 101, line 17, it is proposed to strike out all after "102a." down to and including the words "production or" in line 1, on page 102, and insert: "To assure the distribution of prefabricated houses and housing components so that they may be available for the purposes of national defense, the Housing and Home Finance Administrator is authorized to make loans to and purchase obligations of any business enterprise or financial institution for the purpose of providing financial assistance for the."

Mr. MAYBANK. Mr. President, the distinguished Senator from Illinois discussed the amendment at some length on Thursday. The committee worked a long time on the bill. As the committee report shows, hearings were held for 2 months, and committee meetings for 7 days. I consider the section on prefabricated houses as written in the bill to be essential. I trust the amendment of the

Senator from Illinois will not be accepted. I personally could not accept it for the committee.

As pointed out in the committee report on the bill, prefabricated housing is particularly adaptable and extremely important to the defense effort, particularly in areas of shortage of skilled construction labor.

In addition to the assistance for interim financing which the Dirksen amendment limits the authorization to, there is also a real need of loans for working capital for production purposes. Although the industry has made great progress in the past few years and has grown to a great extent, it has not yet reached the stage where financing is readily available for production purposes through normal private lending channels.

I might digress to say that I appreciate the fact that the industry has reached that point in some cases, but in a number of cases, it has been necessary to render some assistance for production purposes. Any assistance given in connection with the manufacture of prefabricated houses will be in the end save the taxpayers money, because such houses can be constructed and sold for less than the cost of the normal type of housing.

Because of the defense program, loan funds and the materials situation are becoming tighter. As they do so, it becomes increasingly difficult for even the best prefabricators to secure adequate financing for production purposes. Government loans for production purposes may in many cases be essential to maintain for defense housing use the present productive facilities of the industry. The committee, therefore, included authority for such loans in the bill as reported.

Your committee emphasized that loans under this title could only be made where financing on reasonable terms is not otherwise available.

In other words, such Government loans can be made only where the manufacturers cannot secure the loans locally. When I use the expression "cannot secure such loans locally," of course I mean at the same interest rate or reasonably close to the same interest rates.

Authorization for these loans has been limited to \$15,000,000 which is a very small amount indeed to accomplish the purpose of the proposed legislation. Its effectiveness should not be further limited by restricting it to loans solely for distribution purposes.

The bill contains provision for insurance in the amount of \$1,500,000,000 for what in times gone by we used to call title VI purposes, and FHA, which have been changed in this bill. We are asking only \$15,000,000 for concerns manufacturing prefabricated houses throughout the United States in order that loans may be made by the Government to such concerns, and to carry on interim financing.

In my opinion failure to provide for production loans may result in curtailment of prefabricated housing production and the facilities for such production, the diversion of the production facilities to other purposes, and consequent lack of availability of such facilities and

production for defense housing uses. The entire defense effort may suffer as a result.

Mr. President, how much time have I left?

The VICE PRESIDENT. The Senator has 15 minutes left.

Mr. MAYBANK. That concludes my remarks. Later I may take some of the 15 minutes I have left.

Mr. DIRKSEN. Mr. President, so that the RECORD may be clear with respect to what we are endeavoring to do, I will say that the bill before the Senate contains a title known as title V, which deals with prefabricated housing. It contains language which would make available to the Administrator \$15,000,000, which he could use either for financial assistance to persons engaged in the business of manufacturing prefabricated houses, or in cooperation with local financial institutions for the same purpose. It proceeds on two facts. That money can be used not only for the production of prefabricated housing, but for distribution as well.

I stated earlier that I had no particular objection to using some money for the purpose of moving manufactured prefabricated houses from the factory sites to the places where they are to be erected, but I do not favor the idea of using Federal funds under the direction of the Administrator for the manufacture of prefabricated houses.

I am not insensible of the fact that the bill contains only \$15,000,000 for that purpose. When all is said and done that is only 40 percent of what we lost on the Lustron fiasco in Ohio. But I doubt very much whether the taxpayers of the country would like to undergo a similar experience and lose money in a venture of that kind.

The amendment now pending before the Senate does nothing more than strike out all references to the production of prefabricated houses, so that the \$15,000,000 will be available for their distribution from plant site to the site of erection.

To make money available for the production of prefabricated houses, although no similar authority is provided and no similar funds are made available for those who are engaged in the business of providing other types of housing, looks to me like a subsidy to one segment of the housing industry. I doubt very much whether such a thing can stand up in all conscience and equity; and, therefore, I think that opposition to it should commend itself to the Senate and should be an argument in favor of supporting the amendment striking out every reference to production.

As I have indicated before, we have had a rather painful and dismal experience in the prefabricated-housing field, and it has become a rather celebrated case in the eyes of the people everywhere in the country. It has been rather well ventilated by the Fulbright committee. I, for one, do not like to see the possibility of our having a similar experience. The best way to prevent it, of course, is to strike references to production from the bill and to make the money available entirely for distribution purposes.

Mr. MAYBANK. Mr. President, of course what the Senator from Illinois has said about the Lustron Corp. is true. It was badly handled. However, I wish to remind the Senate that it was the Senate Banking and Currency Committee which first developed the situation in regard to Lustron, and this provision of the bill has absolutely nothing to do with Lustron. It relates only to small concerns throughout America that cannot obtain the necessary capital, the necessary financing, at home.

Mr. President, I shall yield to the Senator from Indiana [Mr. CAPEHART], the ranking Republican member of the committee, because this matter is close to him. He served with me on the subcommittee which investigated Lustron and he has worked untiringly on this bill.

Let me inquire how much time the Senator from Indiana wishes to have me yield to him.

Mr. CAPEHART. I do not think I shall need more than 5 minutes; perhaps I shall not need that much.

Mr. MAYBANK. Very well; I yield 5 minutes to the Senator from Indiana.

The VICE PRESIDENT. The Senator from Indiana is recognized for 5 minutes.

Mr. CAPEHART. Mr. President, I am in sympathy with this amendment, except I am aware of the fact that the line between production and distribution is very fine, very thin, and, therefore, I question the advisability of striking the word "production" from this provision of the bill. It is not quite clear to me how this particular section would be administered if we were to eliminate the word "production," and if we were to confine it entirely to distribution.

I would be perfectly willing—and although I cannot speak for the Senate, I think the Senate might be willing, also—to impose a limitation on the amount which could be loaned to any one prefabricated-housing manufacturer for production purposes. We hear much about the \$37,500,000 loan which was made to Lustron. That was a great deal of money. It might have been well to have limited the amount of an individual production loan which could be made to any one concern. However, I question the advisability of striking out the word "production" and giving the Administrator the right to make loans for distribution purposes only, because, I repeat, the line between production and distribution is very thin, in the case of prefabricated houses.

We must keep in mind that this particular provision applies to trailers, and it also would apply to new types of houses. For instance, at the moment certain types of mobile houses are in the process of engineering and design, although they are not at the moment in construction. In other words, such houses could be moved on wheels to temporary foundations; and thereafter, when the temporary purpose had been achieved—as in the case of providing the necessary additional houses in the vicinity of the construction of a defense plant—such houses could again be placed on wheels and then could be moved to a permanent location. At the moment such houses, if available, would serve a very useful purpose during the

present war period or emergency period. As I have said, no houses of that type are at the moment in production, but they are being engineered and designed. So perhaps we would be better off if we were to leave the word "production" in this provision.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. THYE. Is it proposed that the assistance be made available in the form of a subsidy or in the form of a loan?

Mr. CAPEHART. No; it is to be a direct loan, to be repaid. This bill does not provide for any subsidies at all.

Mr. THYE. That is as I have understood the bill.

Mr. CAPEHART. Mr. President, the Senate should understand that, of course, the RFC could make loans directly to such concerns, without having this provision available. In this measure we are authorizing loans for distribution; but the amendment now proposed would strike out the provision that loans could be made for production purposes.

I know something about manufacturing and distribution and production, and I say that the line between production and distribution is very thin, indeed.

I should like this amendment better and I should like the bill better if the amount which could be loaned to a particular concern were limited. For instance, perhaps we could limit the amount to \$100,000 or not to exceed \$500,000.

Mr. THYE. Mr. President, will the Senator yield once more to me for a question?

Mr. CAPEHART. I yield.

Mr. THYE. Without this provision in the bill, there would be the danger of not having adequate housing facilities at some new installation which naturally will come into being as we expand the defense activities.

Mr. CAPEHART. Mr. President, the Senator's question is not clear to me. I should like to have him state it again.

Mr. THYE. My question is simply this: Without some assistance, and particularly assistance of the sort provided by this bill, there might be danger of not providing adequate housing or housing facilities in some of the areas in which new installations for the defense program are being made.

Mr. CAPEHART. That might be true. However, the main reason why I am opposed to eliminating the word "production" is that by doing so we would limit the ability to make loans for distribution, after the houses were completed. Of course, as the house moves through the factory, it is in sections, and at that time it is partially completed. I see no difference between making loans on a house that is completed and making loans on the component parts of a house as it moves through the factory on its way to completion. To me, there is no difference, in principle.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CORDON. Referring to section 102a, of title V—I assume that is what the Senator is discussing—

Mr. CAPEHART. Yes, it appears on page 101 of the bill.

Mr. CORDON. Does the bill provide any limitation upon the amount to be loaned under that provision—

Mr. CAPEHART. Yes, it is limited to \$15,000,000 to all concerns.

Mr. CORDON. Mr. President, I have not finished my question.

Mr. CAPEHART. I ask the Senator to pardon me, please.

Mr. CORDON. Does the bill provide any limitation on the amount of loan to be made to an individual producer, with respect to the total capital investment the producer has?

Mr. CAPEHART. There is no limitation of that sort. I think possibly we should have limited on such a basis the amount which could be loaned to an individual producer. Of course, the Senator realizes that in the bill we limit to \$15,000,000 the total amount which can be loaned to all producers and distributors of such houses. Technically—although of course such a thing would never happen—the entire \$15,000,000 could be loaned to one concern, and then no money would be left for the other concerns engaged in such work.

Mr. CORDON. Or \$1,000,000 could be loaned to 15 different concerns, and that would represent the total possible outlay for such institutions. Is that correct?

Mr. CAPEHART. Yes.

Mr. President, if it can be done, I should like to suggest that we pass over this amendment at the moment, and amend this provision of the bill in such a way as to limit to, let us say, \$500,000 the amount of money which would be loaned to any individual concern for purposes of the production of such houses.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DIRKSEN. I simply wish to bring to the attention of the Senator from Indiana the fact that he offered the proposal to include within the provisions of this bill those who produce mobile houses, such as trailer coaches; and the committee certainly was glad to make that provision. It is a fact, so far as I know, however, that the producers of mobile housing have not requested loans or advances.

Mr. CAPEHART. For production purposes.

Mr. DIRKSEN. Or for financial aid for production purposes. They are only too glad to cooperate in this program, and they can get along, because the money then can be used for distribution.

I see no reason why we should subsidize one particular segment of the industry. So far as I know, no request for it has been made; no one appeared before the committee, insofar as I recall, and made a specific request that this be done.

I still am willing to go along with a provision calling for \$15,000,000 to be available for distribution purposes; and certainly I would support the Senator's

contention that probably there should be a ceiling on the amount of the loan to any corporation under this section which could be outstanding at any one time.

The VICE PRESIDENT. The time of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, will the Senator from South Carolina yield me one more minute, please?

Mr. MAYBANK. I yield one more minute to the Senator from Indiana.

The VICE PRESIDENT. The Senator from Indiana is recognized for one more minute.

Mr. CAPEHART. Mr. President, there are many manufacturers of prefabricated housing, and they have done an excellent job. Many of them not only produce such houses, but handle their distribution. When we limit the financing to the distribution of such houses, and not to their production, we draw a very thin or very fine line between production and distribution, in that we say that the money can be loaned on a completed house, but not on the component parts of a house as the parts move through the plant. Such a prohibition would work a handicap.

I should like to suggest to the author of the bill that the amendment be passed over for the moment, and that there be included in the bill provision for the making of such loans for both production and distribution, but limiting to, let us say, \$500,000 the amount which could be loaned to an individual, particular producer.

Mr. DIRKSEN. I could make a unanimous-consent request to that effect, but there might be objection to it.

Mr. MAYBANK. Mr. President, has the Senator from Indiana concluded?

Mr. CAPEHART. I have concluded.

The VICE PRESIDENT. The time of the Senator from Indiana has expired.

Mr. MAYBANK. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Six minutes.

Mr. MAYBANK. I yield 5 minutes to the Senator from Alabama.

The VICE PRESIDENT. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, I very much hope that the amendment offered by the Senator from Illinois will not prevail. The question of loans on prefabricated housing is one which has been fought up and down in committee and on the Senate floor several times, and such housing has been covered in our housing loans certainly ever since the passage of the Housing Act of 1948. There is not one of us who does not regret the outcome of the Lustron loan, a subject which I may say our committee has investigated most thoroughly. Of course, there are many things which could be said about that loan. I happened to be talking several days ago with General Harrison, Defense Production Administrator. He stated that the investment in the Lustron project was a good one from the standpoint of exploration, study, research, and development, that it was a new field, and that we should have been willing to make the loan merely from the standpoint of re-

search and development. I am not offering that as my own suggestion, but am merely repeating what General Harrison said, in suggesting that it ought to be charged off as an item which any corporation would have authorized with reference to the development of something new.

Mr. DIRKSEN rose.

Mr. SPARKMAN. I do not care to argue the point. It is not my purpose to try to justify the Lustron loan, by any means, nor to try to justify the manner in which it was handled. I am sure the Senator from Illinois is familiar with the view which I have taken in committee and in the subcommittee regarding that matter.

Mr. DIRKSEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. SPARKMAN. I regret that I have but a very short time. If the Senator has some time which he will yield to me, I should then be glad to yield to him; otherwise, I decline to yield.

Mr. President, as the able chairman of the committee has pointed out, prefabricated housing is a relatively new development. It has not yet established itself to the extent that it may be made the basis of ordinary and conventional loans from the banks. That fact has been recognized, year in and year out, in the authorization of Government loans.

Several days ago I wrote to Mr. Foley, Administrator of the Housing and Home Finance Agency, requesting him to supply certain basic information regarding loans heretofore made for prefabricated housing. I desire to read briefly from the letter. Mr. Foley says:

For your general information, there were transferred—

That is, when this business was transferred to the Housing and Home Finance Agency—

there were transferred on the indicated date 139 loans of which 98 all related to the same transaction and have been regarded by this Agency as a single loan. The aggregate outstanding balance of the loans was \$20,031,561. Since the date of the transfer, 11 loans have been paid in full, and one outstanding authorization has been canceled. Since the transfer, disbursements on current loans have been made by this Agency as of January 31, 1951, in excess of \$4,250,000, and collections have aggregated \$2,135,000.

Mr. Foley then names certain loans which have been authorized, which I shall not read, in view of the limited time, but among them was one for \$2,850,000, another for \$104,000, another for \$1,750,000, and still another for \$1,800,000; the last one being a loan for working-capital purposes. There is another loan referred to of approximately \$2,000,000. All the loans have been in relatively small amounts, and many of them have been necessary in order to keep the companies going, or at least to make it possible for them to shift to greater production at a time when there is a need of all the housing of the type affected that can be obtained. I ask

that Mr. Foley's letter be printed in full in the RECORD at this point, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., April 5, 1951.
Hon. JOHN J. SPARKMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR SPARKMAN: This is in further reference to your letter of March 31 and supplements my reply, dated April 3, 1951. As I indicated in my April 3 letter, in view of the time available, only a bare outline of operations in connection with prefabricated housing could be prepared for use in connection with floor consideration of S. 349.

For your general information, there were transferred on the indicated date 139 loans of which 98 all related to the same transaction and have been regarded by this Agency as a single loan. The aggregate outstanding balance of the loans was \$20,031,561. Since the date of the transfer, 11 loans have been paid in full, and 1 outstanding authorization has been canceled. Since the transfer, disbursements on current loans have been made by this Agency as of January 31, 1951, in excess of \$4,250,000, and collections have aggregated \$2,135,000.

In addition to the foregoing, loans have been authorized to Park Forest Homes, Inc., Park Forest, Ill., in the amount of \$2,850,000 to finance the cost of construction of 300 prefabricated homes manufactured by Expandable Homes, Inc., Milwaukee, Wis. There is likewise a loan authorization to Markun Subdivisions, Inc., Indianapolis, Ind., in the amount of \$104,000 to finance the cost of site development. There are also pending applications by present borrowers: Knox Corp., Thomson, Ga., for an additional loan of \$1,750,000, and Crawford Home Loan Corp., Baton Rouge, La., in the amount of \$1,800,000 for working-capital purposes.

The Crawford Home Loan Corp. has also been authorized to use approximately \$2,000,000 of its loan authorization to finance the cost of site development on a tract in New Orleans on which over 1,400 prefabricated homes are to be erected.

We have also had a considerable number of inquiries for the financing of operations involving the production, erection, and distribution of prefabricated homes.

Liquidation of problem loans which were in default at the time of transfer to this Agency is proceeding as promptly as possible.

When feasible, we have sought in all cases of problem loans to effect a reorganization plan with the delinquent borrower in an effort to keep their facilities operative, consistent with proper protection of our collateral position. Thus, we have conducted negotiations with Reliance Homes, Inc., Lester, Pa., which was, however, placed in involuntary bankruptcy by other creditors. Prior to such bankruptcy action, a reorganization plan was proposed by the borrower to this Agency which could not be accepted because of the limited investment offered by the reorganizing group and the substantial Government investment which would be involved. Negotiations are still pending with General Panel Corp., of California, for its proposed financial reorganization and continuance in the prefabricated housing field.

We will proceed with the preparation of a more detailed report of these operations and forward the same to you as soon as possible.

With kindest regards, I am,

Sincerely yours,

RAYMOND M. FOLEY,
Administrator.

Mr. SPARKMAN. Mr. President, adoption of the amendment proposed by the Senator from Illinois would be a reversal of the action which the Senate has taken every time a housing bill has been considered, over a period of the past several years, and it would certainly cripple the production of housing of a type which we need, at a time when we need it greatly. I hope the amendment will not prevail.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The time of the Senator from Alabama has expired.

Mr. MAYBANK. Mr. President, I have nothing further to say.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. CAPEHART. Has all the time for debate expired?

Mr. DIRKSEN. I can yield some time to the Senator.

The PRESIDING OFFICER. The Senator from Illinois has 16 minutes remaining.

Mr. DIRKSEN. I yield 5 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I should like to advise the Senator who offered this amendment to withdraw it, and that, on page 101, after the word "construction" on line 9, he add a comma and the following proviso: "Provided, however, That no loan in excess of \$500,000 shall be made to any individual or corporation for purposes of production."

I am of the opinion that production loans should be included in the bill; but I believe that loans under this section to any individual or corporation should be limited to not more than \$500,000 outstanding at any one time. As the bill is written at the moment the Administrator, if he desired, could loan \$15,000,000 to one firm, or he could loan \$1,000,000 to 15 firms. By limiting the amount of any loan which may be made under this section to any individual or corporation to \$500,000 outstanding at any one time, I think we would be strengthening the bill, and would overcome the objection which many Senators have to the authorization of any production loans whatever.

As I stated a moment ago, I think the line between production and distribution is vague. There are not too many prefabricated housing manufacturers at the present time. Some of them not only manufacture, but also distribute the prefabricated materials, and erect the houses themselves. I can see no difference between loaning a man money on a completed house and loaning him money on the component parts as the house moves through his factory. But I certainly shall vote to place a limitation of \$500,000 on a loan made to any individual or corporation.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to withdraw the pending amendment, and to substitute an amendment which will incorporate,

substantially the suggestions which have been made with respect to the amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment. The amendment is withdrawn, and the clerk will state the amendment offered as a substitute for the one withdrawn.

The LEGISLATIVE CLERK. One page 101, in line 9, after the word "construction", it is proposed to add a comma and the following proviso: "Provided, however, That no loan in excess of \$500,000 shall be made to any individual or corporation for purposes of production."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois to the committee amendment.

The amendment to the amendment was agreed to.

Mr. KNOWLAND. Mr. President, I have what is merely a clarifying amendment, about which I have spoken to Members on both sides of the aisle. I send it to the desk and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California.

The LEGISLATIVE CLERK. On page 100, in line 15, after the word "city", it is proposed to insert "or in two contiguous cities"; in line 16, after the word "were", to insert "in one of such cities"; and in line 21, after the words "limited to", to insert "not exceeding 300 acres of."

Mr. KNOWLAND. Mr. President, this amendment would accomplish two things. First, it would correct a technical deficiency in section 405. Second, it would limit to not exceeding 300 acres the amount of land which could be acquired under section 405.

First. The technical deficiency in section 405 results from the fact that some deactivated vacant temporary housing units apparently are located just across the Richmond city line in the city of El Cerrito. As a result, the authorization to acquire land must apply to land in both Richmond and El Cerrito. The amendment does so by making the grant of authority run to land acquisition in any city or two contiguous cities in which, on March 1, 1951, there were in one of such cities more than 12,000 temporary housing units held by the United States of America.

Second. The proviso limits the acquisitions to land in the general area in which approximately 1,500 deactivated, unoccupied, temporary units are located. It seems desirable, however, to fix some more specific limitations on the actual land area which could be acquired. The amendment, therefore, fixes the upper limit at not exceeding 300 acres.

Mr. MAYBANK. Mr. President, I should like to say to the Senator from California that in January or February I took this matter up with the committee, and the committee at that time adopted what it desired to have included in the bill. I agreed to an amendment similar to the one which the Senator from California has suggested, and, since it is merely a clarifying amendment, I have no objection, and I accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk, and I ask to have it stated. It is an amendment with respect to title III, which I discussed with the Senator from South Carolina.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 81, at the end of line 5, it is proposed to strike out the period and to insert "and which is isolated or relatively isolated in character."

Mr. DIRKSEN. Mr. President, the pending bill has five titles, the first one of which deals with the criteria and some definitions in order to determine precisely what are the objectives and purposes of the bill. The second title sets up a defense-housing mortgage insurance fund and distinguishes it, of course, from normal defense housing, largely because of the risk being of a different character. But it probably will be desirable to establish it as a separate fund.

The third title of the bill is one to which there has been some objection. It is referred to commonly as the so-called Government housing title. I think I can say with candor that while the bill was under consideration in the committee, I moved to strike out title III because of the Government housing feature. But my motion did not prevail, and there was a disposition to strike it from the bill on the floor of the Senate. However, I think there are many Senators who would prefer to see the title preserved, but to see it modified in order to take away one of its objectionable features.

Title III provides for two kinds of housing. The first class is permanent in character, consisting of houses which are supposed to be salable when the emergency has passed. A certain preference was established for persons who may be eligible to purchase such houses. The dwellings may be one-family, two-family, three-family, or four-family houses. The Administrator will specify the terms which shall obtain, whether the sale is for cash or on credit, the length of the mortgage, the interest rate, and so forth.

The same title also provides for rental housing, or for housing of a temporary character. Some of it can be mobile, which can be prefabricated, and which is designed, of course, to meet defense needs.

In connection with the so-called temporary housing, all the safeguarding provisions which the committee wrote into the bill in title I will not apply in the case of temporary Government housing. As to that we sought to establish certain standards of need, and to make it necessary to demonstrate the need to relax credit wherever possible in order to let private enterprise undertake this kind of an activity; and there is provision for certain notice to private contractors and builders in areas where defense housing might be required.

I am abundantly satisfied with the kind of safeguards which the bill establishes, so far as private enterprise identity with the building program is concerned. But we are dealing, now, with title III, and the language speaks for itself. It is to the effect that, subject to the provisions of title I, the Administrator is authorized to provide housing in areas which are deemed by the President to be critical. As I indicated, the safeguards do not apply to temporary housing. It seems to me that the purpose of the committee, in the first instance, was to make sure that private builders and contractors and mortgagees should have ample opportunity to undertake the erection of needed housing, and that the Federal Government should not intrude itself into the building industry where defense housing is required, unless an absolute need is shown, and it is impossible to lure or to induce private capital and private builders to go into the area where the building is proposed.

Therefore, the language which I have submitted in my amendment is delimiting only to the extent that private builders will erect the houses, and that insofar as the Government is concerned, the Administrator can construct governmental housing in areas deemed by the President to be critical, with the modifying provision, that they must be areas which are isolated or relatively isolated in character.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ROBERTSON. Is it not a fact that after very long debate over this particular provision of the bill, the committee was of the opinion that that was a type of locality, if any, that would need the assistance of a public housing program?

Mr. DIRKSEN. Yes, I think so.

Mr. ROBERTSON. The Senator's amendment really carries out the objective of a majority of the Members of the committee who naturally favored private enterprise where it could do the construction work. We wanted a provision that if private enterprise in some remote, isolated area would not do what was necessary after it had been called on for 2 months, then the Government could intervene.

Mr. DIRKSEN. The Senator from Virginia certainly does reconstruct in his mind the committee's thought. The subject was discussed in connection with Aiken, S. C., and areas like Paducah, Ky. Then the junior Senator from Utah [Mr. BENNETT] pointed out that there are areas in the Far West where ammunition dumps may be installed and where a private builder cannot be induced to come. Those are examples which were clearly in the mind of the committee when it was considering title III and the authority was conferred upon the Administrator to engage in governmental housing.

The modified language which I suggest, Mr. President, does nothing more, in my judgment, than to carry out the intent and purpose of the committee at the time this title was under consideration. I believe, therefore, that it logically belongs in the bill. It certainly

will dissipate or assuage the fears of those who see governmental housing even in a defense program of the kind covered by the bill and even with a limitation of \$60,000,000 for community facilities and \$50,000,000 for Government housing. They see in it something of a safeguard against the day when the toe gets farther through the door in the matter of launching even more deeply upon a governmental housing enterprise.

Mr. ROBERTSON. Mr. President, will the Senator yield? I should like to ask one more question.

Mr. DIRKSEN. I yield.

Mr. ROBERTSON. I have not read the exact language of the Senator's amendment. Does the amendment prohibit the Government from helping with facilities in a critical defense area which is not remote and in which housing could and would be built by private enterprise? I have in mind some areas which are not remote at all. However, in such areas if there should be a great influx of essential war workers and private enterprise were to build the new housing, if the community were to say, "You have thrown an unusual and unexpected burden on us, and we need a little help with the sewage system, the electric-light system, and some recreational facilities," would the Senator's amendment prevent such help?

Mr. DIRKSEN. Not necessarily. The language is certain subject to interpretation. The question is, What is an isolated or relatively isolated area? In section 401, title IV, of the bill, in which provision is made for sites for necessary development in connection with isolated defense installations, the same language is used which was adopted from the language contained in the bill when it was first presented to the committee. I would much rather take a chance on it than leave the bill open-ended, as it is.

Mr. ROBERTSON. The distinguished Senator from Illinois does not intend to do what I have suggested?

Mr. DIRKSEN. Indeed, no.

Mr. ROBERTSON. And he does not think that the language would do it?

Mr. DIRKSEN. Not necessarily, because I think by using the expression "relatively isolated in character" ample latitude for interpretation is provided.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BENNETT. Mr. President, I can see the difficulty of the Senator from Virginia. I suggest to the Senator from Illinois that he consider inserting the language of his amendment in the middle of line 25 at the bottom of page 80, so that lines 23, 24, and 25 at page 80 and line 1 at page 81 would read:

(hereinafter referred to as the "Administrator") is authorized to provide housing needed for defense workers or military personnel in areas which are isolated or relatively isolated in character, or to extend assistance for the provision of, or to provide, community facilities or services—

And so forth. I believe if the proposed amendment were inserted at the point I suggest, instead of at the end of the paragraph, community facilities

would be exempt from the isolation feature.

Mr. ROBERTSON. Mr. President, will the Senator yield for a suggestion?

Mr. DIRKSEN. I yield to the Senator from Virginia.

Mr. ROBERTSON. I hope the Senator from Illinois will give consideration to the suggestion, because I do not think any of us want to put a community, which absolutely needs and should have facilities, in a position of being excluded under the provisions of the bill, by reason of the way the proposed language is worded, or where it is inserted in the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I should first like to respond to the Senator from Virginia by saying that the suggestion that the language be inserted in line 25 at the bottom of page 80, instead of at page 81, would have the following effect:

The first part of the section relates to housing, and the second part relates to community facilities. Transposing the language to the bottom of page 80 would make the amendment applicable only to housing, but not to community facilities, and would carry out the intention expressed by the Senator from Virginia.

Mr. ROBERTSON. I thank the Senator from Illinois.

Mr. MAYBANK. May I inquire what would happen to temporary housing?

Mr. DIRKSEN. It would apply in the same way.

Mr. MAYBANK. Why should it? Let us take, for example, Charlestown, Ind., which is not far from the city of Louisville, Ky., where an ordnance plant is being reopened.

Mr. DIRKSEN. The whole purpose of temporary housing, it seems to me, is to provide houses in areas which are isolated or relatively isolated.

Mr. MAYBANK. There are some mining towns, too, where temporary housing will be required.

Mr. DIRKSEN. I should say to my good friend from South Carolina that the safeguards provided in section 102, which were very carefully drawn by the Senator from Utah, do not apply to temporary housing. It would seem to me that more safeguards, rather than fewer safeguards, would be necessary.

Mr. MAYBANK. If the Senator will permit me to say so, I do not agree with him. The committee felt that the section 102 safeguards were necessary to assure private enterprise full opportunity to provide any needed permanent housing. We did not feel that the same safeguards should apply to temporary housing—that was why we specifically exempted temporary housing from the requirements of section 102. We had hearings for 2 months on the bill, and the committee stayed in session for 7 days to write the bill. I have the greatest affection and esteem for the Senator from Illinois, as he knows. However, I do not think an amendment such as this should be offered on the floor and be written into the bill. The Senator says it would not affect permanent housing. Now he wants to change the place of insertion. I know that the Senator from Illinois has the same idea with respect to private enterprise that I have. I do not

think such an amendment as this should be acted on at this time. I frankly admit that I am not capable of judging what the full effect of the amendment would be. I studied the amendments which were submitted on Thursday and Friday. I have not had an opportunity to study the amendment which is now being submitted.

I appreciate the Senator's feeling for public housing. I have the same feeling. I am not quarreling with him on that point, as he must know. I am fearful of putting words into a bill which has been so carefully thought out. When a subcommittee was appointed, I took the liberty of appointing the Senator from Utah [Mr. BENNETT]. He studied the subject. I ask him whether or not the amendment would apply?

Mr. BENNETT. The Senator asks whether it would apply to temporary housing as well as to permanent housing?

Mr. MAYBANK. Yes.

Mr. BENNETT. That is what the Senator understood?

Mr. MAYBANK. Yes.

Mr. BENNETT. At page 55, section 102 (d) applies only to permanent housing.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. The time is now controlled on the other side.

Mr. CAPEHART. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. I should like to make a suggestion.

Mr. DIRKSEN. Mr. President, I should like to inquire whether I have exhausted my time.

Mr. CAPEHART. Perhaps the Senator from Illinois has presented a very good point.

The PRESIDING OFFICER. The Senator from Illinois has 17 minutes remaining.

Mr. CAPEHART. I am addressing my attention to the able Senator from South Carolina.

Mr. MAYBANK. Very well.

Mr. CAPEHART. The able Senator from Illinois may have a good point, particularly if the language which he proposes is inserted at the bottom of page 80 in line 25. I am not too certain about it; but, I should like to suggest that the chairman of the committee accept the amendment and take it to conference. In conference it could be discussed. If it appeared to be desirable, it could remain in the bill. If not, it could be deleted. In any event, I think it should be discussed off the floor. I therefore suggest that the Senator from South Carolina accept the amendment and take it to conference.

Mr. MAYBANK. If we do, we cannot get temporary housing in other than isolated or relatively isolated areas.

Mr. CAPEHART. I should like to suggest that the chairman of the committee accept the amendment and take it to conference, with the understanding that it would be discussed in conference.

Mr. DIRKSEN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. Yes.

Mr. DIRKSEN. Mr. President, first with respect to the consideration of the bill in committee, I may say that committee deliberations do not always exhaust the consideration of a bill.

Mr. MAYBANK. I did not suggest that they did.

Mr. DIRKSEN. I reserved the right to offer amendments on the floor of the Senate.

Mr. MAYBANK. The Senator knows I did not suggest any such thing. In fact, the committee reported the bill unanimously, with reservations.

Mr. DIRKSEN. Yes. The Senator from South Carolina was always very gracious about it. The legislative process, after all, is a perfecting process. New ideas occur which in the opinion of Senators may perfect proposed legislation, or dissipate fears which some people may have about certain sections. So I think it is very important when such situations arise, to offer suggestions and amendments on the floor of the Senate, indeed I believe that to be the duty of Senators.

I wish to respond directly to the Senator from South Carolina by saying that on page 83, in paragraph (b), there is language to the effect that the provisions of section 102 shall not be applicable. When we come to temporary housing, as I read that language—

Mr. MAYBANK. That is section 102.

Mr. DIRKSEN. Yes.

Mr. MAYBANK. It does not say section 301.

Mr. DIRKSEN. Those were safeguards which were devised by the Senator from Utah and others with respect to title I.

Mr. MAYBANK. The Senator is proposing to amend section 301.

Mr. DIRKSEN. That is correct.

Mr. MAYBANK. Would the Senator be willing to offer the amendment as applying to temporary housing in section 301?

Mr. DIRKSEN. Yes.

Mr. MAYBANK. If the Senator will do that, and place the amendment in the proper place, where it will not interfere with community facilities, I think it may be all right. I am not saying what is right or wrong. I am merely trying to see if we can reach a compromise. I dislike attempting to perfect details of legislation on the floor.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to modify the amendment so as to transpose it to line 25, on page 80 of the bill, after the word "personnel," instead of at the end of line 5, on page 81. It will then apply only to housing and not to community facilities.

Mr. MAYBANK. Mr. President, the Senator from Indiana [Mr. CAPEHART] suggests that the amendment be accepted and taken to conference. I am going to be perfectly frank. I do not know what the effect of this amendment on the bill will be. If it is agreeable to the Senator from Illinois to insert the amendment on page 80, line 25, after the word "personnel," so as to include temporary housing, I will not object to taking it to conference.

Mr. DIRKSEN. Does the Senator mean to apply it only to temporary housing, and not to permanent housing?

Mr. MAYBANK. No.

Mr. DIRKSEN. There is permanent housing provided for in title III.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senator from Illinois be permitted, if it is agreeable to him, to write out the amendment so that we can see it in black and white.

Mr. DIRKSEN. I have the language here. I submitted it to the Senator from South Carolina and the Senator from Utah earlier in the day. The only difference is that it is now proposed to insert the new language in line 25 on page 80, instead of at the end of line 5 on page 81.

Mr. MAYBANK. The Senator from Illinois did submit the amendment to me about 15 minutes ago. However, he will admit that I have not had an opportunity to study it. It is a far-reaching amendment.

Mr. DIRKSEN. Mr. President, to make sure that the record of this proceeding is correct, I ask unanimous consent to submit the amendment in modified form.

The PRESIDING OFFICER. The Senator has a right to modify his own amendment.

Mr. DIRKSEN. It will then read as follows: At the bottom of page 80, line 25, after the word "personnel," insert the words "in areas that are isolated or relatively isolated in character"; and at the top of page 81, line 1, after the word "provide", insert the words "temporary housing and."

Mr. MAYBANK. I thank the Senator.

Mr. DIRKSEN. I may say, with respect to the modified language, that I would just as soon have it apply to both permanent and temporary housing, but I believe even in that form it would be well to send it to conference, knowing, of course, that the temper of the other body with respect to this bill has been rather emphatic, as indicated in recent days.

So, Mr. President, I conclude my observations on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Illinois [Mr. DIRKSEN] to the committee amendment in section 301.

The amendment to the amendment was agreed to.

Mr. HILL. Mr. President, on page 62, line 7, I move to strike out "90" and to insert in lieu thereof "91." It is obvious that I offer this amendment with the intention of withdrawing it, simply in order that I may obtain the floor at this time for a few moments.

Mr. MAYBANK. Mr. President, will the Senator repeat his amendment?

Mr. HILL. I stated that I would withdraw it, as I have the right to do. I offered the amendment simply because, under the unanimous-consent agreement, that was the only way I could obtain the floor for a moment. The amendment is, on page 62, line 7, after the words "exceed", to strike out "90" and insert in lieu thereof "91."

The PRESIDING OFFICER. The Senator from Alabama is recognized for 20 minutes.

Mr. MAYBANK. Mr. President, does the Senator expect to speak for 20 minutes? If so, I should like to go downstairs and get a bite to eat.

Mr. HILL. No, Mr. President. I merely wished to call attention to some language in the report which I strongly favor. I feel that that language should go into the Record in this debate.

I call attention to the language on page 40 of the committee report. This phase of the report deals with the question of construction and operation of housing facilities, hospitals, schools, recreational facilities, and things of that kind—facilities which must be constructed along with the housing units. I read now from page 40 of the committee report:

However, in granting this authority for the transfers of certain types of functions, it is not intended that the final authority and responsibility for their administration shall be transferred from the Housing and Home Finance Administrator; it is granted in order to facilitate the full utilization of the personnel, experience, and professional judgments of such other Federal agencies. For example, in the case of any assistance for hospital construction which may be extended by the Administrator under the authority therefor contained in this bill, it is expected that the personnel and experience of the Public Health Service would be fully utilized for the professional decisions required for such matters as the general layout from the medical standpoint, the number of beds required, the scope and types of medical facilities to be provided, the requirements in terms of facilities for nurses and necessary service facilities (such as laundry, etc.). Likewise, in the case of school construction, it is expected that personnel and experience of the United States Office of Education would be fully utilized for the professional decisions required for such matters as the size of the accommodations needed to meet the student load, the general layout of the building from an educational viewpoint, the supporting facilities required, and similar matters.

The President would also be given specific authority (p. 95, lien 1) to prescribe the manner in which any functions given to the Housing Administrator under this title are to be administered in coordination with other Federal agencies with related functions or activities.

I wish to commend the distinguished chairman of the committee and the other members of the committee for expressing in such clear and definite language the intent of the committee, that is, that the personnel, facilities, experience, and knowledge of existing Government agencies shall be used to the fullest extent in providing these housing facilities, so that we shall not have a situation in which there will be duplicating agencies, employing new and additional personnel to do a job for which we now have personnel experienced and ready to go to work. I wish to congratulate my friends and to get this statement into the Record so that the Housing Administrator will clearly know the intent of the committee and the intent of the Congress in this matter.

Mr. MAYBANK. Mr. President, I deeply appreciate what the Senator from Alabama has said. As he knows, I have always been a strong supporter of the hospitalization program which he has had before the Senate for many years. We particularly wish to pay attention to

the Hill-Burton Act, because great experience has been obtained under that act in the rural areas of the United States. We wanted to make the maximum use of the knowledge and efficiency of these agencies that are already doing a good job.

Mr. HILL. And where the personnel and the knowledge of those in the vicinity can be made use of, the Senators want it to be made use of.

Mr. MAYBANK. Yes. That will save the taxpayers money.

Mr. CAPEHART. Mr. President, I thank the able Senator from Alabama for the work he has done in this connection. He is 100-percent correct. The feeling was unanimous on the part of the committee that, if it were humanly possible, there should be nothing in the bill which would create any new agencies, any new organizations, or duplicate or overlap any existing organizations in the functioning of the proposed legislation. The committee was unanimous on the subject. We spent much time in discussing the matter. We hope the Administrator of the proposed act will thoroughly understand our purpose. I think he will, particularly after the record which the able Senator from Alabama has seen fit to make today.

Mr. HILL. I think the distinguished Senator from Indiana for the very fine support he has given this language in committee. I also wish to thank the Senator from South Carolina for the fine support of the language and the intent of the committee. I am delighted that the language is so specifically written into the report, making clear the intent of the committee and the intent of the Senate that there shall not be duplications; that existing personnel, experience, and knowledge shall be fully utilized.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The Senator from Alabama withdraws the amendment.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 93, line 6, it is proposed to strike out "\$25,000,000" and insert "\$5,000,000."

Mr. DIRKSEN. Mr. President, when the bill first came to the attention of the committee it contained an item of \$25,000, which could be kept in a common fund, and to be used for administrative expenses, for the operation, maintenance, improvement, and disposition of properties. There would be a tremendous disparity, Mr. President, between a \$25,000,000 fund for administrative expenses, as against a total capital expenditure of \$110,000,000. The committee in its wisdom saw fit to make the amount to be expended on community facilities about \$60,000,000 and to finance housing under this title \$50,000,000. The total would be \$110,000,000. There would be no good reason, Mr. President, to leave as much as \$25,000,000 in that common fund.

It has been my experience over a long period of time that when money is left in a residual fund which is subject to administrative expense and to withdrawals for a variety of purposes, one of two things usually happens, not always, but I have seen it happen. The first, of course, is a material addition to personnel over and above an agency's normal needs. Secondly, it can become the source of waste. I would rather not see such temptations provided in substantial form in a piece of legislation. I think, therefore, there is much to commend the amendment, reducing the fund from \$25,000,000 to \$5,000,000, so that the remainder of the fund will then be carried into the miscellaneous receipts of the Treasury and be available for all proper purposes.

Mr. MAYBANK. Mr. President, I have had my eyes so constantly fixed on some of the larger funds and items that, to be frank, I must admit that I neglected perhaps to take proper note of the item of \$25,000,000. The committee was engaged in discussing the matter of cutting the amount of the insurance item from \$3,000,000,000 to \$1,500,000,000. As the Senator knows, we fixed upon the sum of \$60,000,000 to be expended on community facilities and \$50,000,000 to be used to finance housing under the title. In view of the fact that we made the reduction in the insurance item I think the Senator is entirely correct in stating that \$5,000,000 is sufficient. In view of the changes otherwise made in the bill the change suggested by the Senator should be made.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] on page 93, line 6.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 99, line 18, after the period, it is proposed to strike out the remainder of lines 18, 19, and 20, and insert: "There is hereby authorized to be appropriated not to exceed \$10,000,000 for carrying out the provisions and purposes of this section."

Mr. DIRKSEN. Mr. President, I withdraw the amendment temporarily.

The PRESIDING OFFICER. The Senator withdraws the amendment temporarily.

Mr. BENNETT. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 56, line 1, it is proposed to strike out "sixty," and substitute "ninety."

Mr. BENNETT. Mr. President, the purpose of the amendment is to take into consideration the length of time required properly to prepare an application under FHA rules. The amendment comes in section 102. The purpose of that section is to preserve for private enterprise a full opportunity to provide the housing, if it is able to do so or is so disposed.

The language of subparagraph (d) of section 102 is as follows:

Fourth. No permanent housing shall be constructed by the Federal Government under the provisions of title III hereof, except to the extent that private builders or eligible mortgagees have not, within a period of not less than—

And at that point I would amend by striking "sixty" and substituting "ninety"—

days (as the Housing and Home Finance Administrator shall specify) following public announcement—

And so forth—

indicated through bona fide applications * * * that they will provide the housing to be needed.

It has been called to my attention that 60 days is probably too short a period, particularly in the case of a very large development—and some developments under this measure may cost as much as \$5,000,000—to provide the time for an architect to draw the necessary plans, for the contractor to take the plans to his subcontractors, and obtain the necessary bids on which to proceed with his application.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. MAYBANK. As chairman of the committee, I wish to say that I am only too glad to accept the amendment. I agree with the Senator that 60 days is perhaps too short a period of time. As I understand, the Senator wishes to substitute 90 for 60 days.

Mr. BENNETT. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT].

The amendment was agreed to.

Mr. DIRKSEN. I ask the Senator from South Carolina about a certain amendment.

Mr. MAYBANK. Mr. President, there is one very important amendment which has to do with the certification of costs by contractors and subcontractors which I had some hesitation about when it was placed in the bill. I understand that the Senator from Utah and the Senator from Illinois are trying to work out the language of the amendment. I myself did not offer the amendment because as chairman of the committee I thought it would be best for the amendment to be offered by some other Senators. I understand the Senator from Utah proposes to offer an amendment and the Senator from Illinois proposes to offer another. Is that correct?

Mr. BENNETT. Yes.

Mr. MAYBANK. Are there any other amendments of similar nature? I have not seen any. In the meantime, I understand the Senator from Utah and the Senator from Illinois have been in conference respecting their amendments, and that they are trying to work them out. I do not know whether they have arrived at an agreement or not.

Mr. BENNETT. It will take about 20 minutes to complete the drawing up of the language. Apparently the solution

has been arrived at, but we now have the question of language.

Mr. MAYBANK. Then I move that we proceed with other amendments to the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

Mr. MAYBANK. Mr. President, will the Senator withhold that suggestion until we can ascertain whether there are any other amendments to be offered to the committee amendment?

Mr. CAPEHART. Yes; I withhold my suggestion of the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The committee amendment is before the Senate and is open to amendment. The absence of a quorum has been suggested, but has been withheld temporarily.

Mr. LEHMAN. Mr. President, I move that the committee amendment be amended, on page 93, in line 22, by striking out the figure "\$50,000,000" and inserting "\$200,000,000."

The PRESIDING OFFICER. Does the Senator from New York wish to be heard on the amendment he has proposed to the committee amendment?

Mr. LEHMAN. I do.

Mr. President, I have not had a chance to analyze all the technical aspects of this very technical piece of legislation. I have listened, and shall continue to listen, to this debate. I have read with great interest the illuminating statement of the distinguished chairman of the Banking and Currency Committee and the remarks of the several members of the committee.

The general purposes of Senate bill 349 are, to my mind, not only salutary but absolutely essential. The philosophy of the bill is to provide the maximum opportunity for private enterprise to meet defense housing needs. In each area the Housing and Home Finance Administrator will publicly announce the extent of the defense housing program required to meet the needs of the defense workers who are to be brought into the area in question. This announcement will include not only the number of units and their location, but also the rents.

It is imperative that the rents be at levels which defense workers can afford. We shall not only hurt the defense program, but also we shall do an injustice to defense workers if they are forced to pay an abnormal percentage of their earnings for rent. We shall also aggravate the problems of wage stabilization. It is generally accepted that the maximum which should be paid for rents and all utility services is from one-fifth to one-fourth of wages.

Presumably the defense housing program for each area will take into account the rents which the workers in that area can afford. Private enterprise will have at least 90 days to file applications for FHA mortgage insurance on housing to meet the needs as programmed.

If private enterprise cannot meet the need, then—and only then—will the Government build the units. The rents on the Government-built housing will be \$15 to \$18 lower than those for the pri-

vately built structures, because of the absence of profit, lower interest rates, and longer amortization terms; but there will be no subsidy in fixing rents. Full tax equivalents will be paid to the localities on the Government-constructed projects.

While it is sound to follow the principle of allowing private enterprise the first opportunity to meet defense housing needs, the Government must be prepared to step in to the extent that private enterprise is unable to provide the required defense housing at rents within the means of the defense workers.

I do not think I need speak at any length on the relationship between defense housing and the defense program itself. Defense production cannot be gotten under way and maintained unless there is housing for the workers who are to be employed in the plants in question. In the case of new defense plants in areas where housing facilities are inadequate or are completely absent, it is difficult, if not impossible, to recruit workers for those plants until there is adequate housing at prices those workers can afford to pay.

Mr. President, some may ask whether we need special defense housing legislation. I have received many letters from constituents who ask that some relief be provided for members of the Armed Forces and for defense workers. I ask unanimous consent that a few of those letters which I have at hand be printed at this point in the Record, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the Record, as follows:

MARCH 14, 1951.

DEAR SENATOR LEHMAN: Will you please use your influence to get Wrightsville Beach, N. C. declared a military district with frozen rents?

My son, Dr. William B. A. Bentley, lieutenant, junior grade, USNRMC, is battalion surgeon for the Third Battalion, Sixth Marine Regiment. When ordered to Camp Lejeune by the Navy in October he was able to find a small apartment at Wrightsville Beach for his wife and baby.

There are many families of officers and enlisted men living there. Most of their quarters have never been occupied during the winter before. The landlords now plan to triple the rents because of the summer season. The wives and children will have to leave North Carolina. This will be bad for the men's morale.

Are you willing to allow the young men who are training to protect us all to be treated so shabbily?

Sincerely yours,

DOROTHY ANDERTON BENTLEY
Mrs. Edward S. Bentley.

FEBRUARY 23, 1951.

DEAR SENATOR LEHMAN: Have you had it called to your attention lately the deplorable conditions in housing around permanent and newly reopened military bases? With more men being called back to the services, and men being drafted every day it is of vital importance that some sort of arrangements should be made for their wives and children. It's only logical that these men want to have their loved ones with them as long as possible since the future for all of us is so questionable. What has happened to rent ceilings in these places? Can't Congress look into this? Can't there be something done about

providing more adequate base housing? The morale of the men and their dependents is certainly important to our effort.

I am not speaking without experience. Recently I went apartment hunting with my husband, a Navy man stationed in Maryland. We looked at one apartment of three rooms, a lavatory and shower—the only rooms with windows were the front and kitchen. The walls were so poorly constructed that we could see into the next apartment in the kitchen and hear every sound throughout the place it was up one flight and rented for \$75 a month. (The refrigerator was ancient and admittedly wasn't working) but this was luxury. Some of the people down there live in abandoned chicken houses, sheds, and outhouses of all sorts. It seems only officers can even afford the miserable apartments.

This gouging is not saved only for Navy men. Dependents of servicemen near Army, Navy, and Marine establishments all over the Nation are suffering. It is a situation which certainly needs looking into. Adequate housing and a clamping down on these dollar worshipers are "musts."

As a voter from New York State I make this request for attention to this matter.

Hoping to hear from you on this, I am,

Sincerely,

(Mrs.) ROBERTA M. BROWN.

To substantiate this request please note article on the subject They're Still Gouging Soldiers in February Redbook.

ROCKY POINT CIVIC ASSOCIATION,

January 23, 1951.

DEAR MR. LEHMAN: The present world situation and the expanding defense program have intensified the need for more industrial plants. The further expansion of the home-building program is unquestionably imperative as more and more plants expand their operations to three shifts. If more homes are not constructed and the present program is curtailed, we shall surely imperil the defense program unless we provide housing for these workers.

(Miss) JOAN K. JOHNSON,
Secretary.

MARCH 15, 1951.

DEAR SENATOR LEHMAN: We have a number of enterprises starting up here again which were in defense production during the last war. In addition, we have the McIntosh Engineering Co., which has moved into Binghamton. We have local contractors who will undertake to build housing under the FHA process or otherwise if materials can be made available through the area by declaring it a defense housing area. We have an entirely new plant which is projected and will probably be constructed during the coming year. In other words, this area is going to be extremely active. We have approximately 423 families in veterans' temporary housing—housing which is more than obsolete and should be demolished. It seems to me that there is no question about the need, and it is a matter of getting the facts to the right people in order to procure action.

Please let me hear from you.

Very truly yours,

DONALD W. KRAMER,
Mayor, City of Binghamton.

Mr. LEHMAN. Mr. President, in recent weeks all of us have seen pictures and have heard graphic descriptions of the families of servicemen and of defense workers who have to live in utterly incredible and unliveable surroundings—without heat, without running water, without modern facilities of any kind, in crowded and unhealthy squalor. This is the price these people are called upon to pay for being in the armed services or for going to work in defense plants. I do

not think this country should tolerate such conditions. I do not think we can afford to tolerate such conditions.

The conditions described and complained of are just a pale reflection of what is going to happen as our military training program and our defense production program get into high gear.

All this constitutes justification for defense housing legislation and especially for making provision in the pending bill of \$50,000,000 for Government construction of housing. The authorizations in this bill are \$1,500,000,000 for FHA mortgage insurance for private housing and only \$50,000,000 for Government construction. This is a ratio of 30 to 1. Only 3 percent of the defense housing units to be constructed under the terms of this bill will be provided by direct Government construction.

I do not think this is at all adequate, Mr. President. I do not think it even begins to be adequate. But I am willing to let this be the pilot program, and to see what our experience in the field of housing will be in the months ahead. As the need is clearly shown, we must be prepared to increase the Government construction authorization to the extent that private enterprise may be unable to meet the need at reasonable rental rates.

Mr. President, my amendment to the committee amendment provides that the amount available for public housing shall be increased from \$50,000,000 to \$200,000,000. However, I do not intend to press at the present time for the adoption of this amendment to the committee amendment, because I realize the splendid and devoted service which has been rendered by the distinguished chairman of the Banking and Currency Committee in connection with this measure. I am making these remarks and I have temporarily offered the amendment to the committee amendment, merely to show what my feelings are in regard to this matter. I reserve to myself the right, of which I may very well avail myself within a reasonable time, to suggest that a substantially larger amount, possibly as great as \$200,000,000 or \$300,000,000, be made available to take care of the provisions of title III.

Based upon testimony in the hearings, in most areas the rents under the private housing program are expected to range from \$75 to \$95, without heat and utilities. The rents are estimated at \$90 to \$110, with utilities. There may be some construction with lower rents, but the great majority will be in the range I have just mentioned. There will be some at even higher rents—rents up to \$135 and \$150 a month.

Because of this probable range of rents, there will be many defense workers who will be unable to pay for this kind of housing. For those who cannot, the Government construction program—if it is conducted on a sufficiently large scale—may provide the answer. It should be borne in mind that the sum provided in this bill—this very inadequate sum—will cover only 5,000 units throughout the Nation. This is a very tiny construction program.

I hope that in order to save valuable time in undertaking our defense housing program we shall approve the pro-

gram in the form in which it has been submitted by the committee, which includes for this purpose an item of \$50,000,000, which, I repeat, in my opinion is totally inadequate. I shall vote for it but always with the reservation that I hope that at a later date a larger sum will be made available.

Mr. President, I withdraw the amendment I have offered to the committee amendment.

The PRESIDING OFFICER. The amendment of the Senator from New York to the committee amendment is withdrawn.

Mr. MAYBANK. Mr. President, first I wish to express to the distinguished Senator from New York my appreciation for the very kind remarks he has made about the committee and about the bill which the committee has reported.

I feel certain that the Senator from New York understands that in this inflationary period we were pressed from all sides in the general desire to keep prices down. I personally think that perhaps in some instances the committee went a little too far; but, after all, the committee did the very best it could. Some of the members of the committee had different ideas. Some of the business organizations and some of the labor organizations were not satisfied; but those of us who served on the committee labored long and hard, and did the very best we could.

I appreciate very much the statement the Senator from New York has made, and I also appreciate his action in withdrawing his amendment to the committee amendment.

I hope that at a future time we shall be able to do more in this respect, although, of course, I do not know what the future holds.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LEHMAN. Let me say that I am grateful for the Senator's remarks. I wish to say even though I am not satisfied with all the provisions of the bill that the distinguished chairman of the committee has done an excellent job, and I am happy to support the pending bill, Senate 349.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. MAYBANK. Mr. President, in view of the fact that we are endeavoring to work out, between several members of the committee, an amendment which will take the place of various of the amendments which remain, as the Douglas-Bennett amendment, I suggest the absence of a quorum, so that we may have time to work out such an arrangement.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER (Mr. FREAR in the chair). Is there objection

to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. MAYBANK. I now ask unanimous consent that the unanimous consent agreement under which the Senate is now operating be abrogated, and that the Senator from New Jersey [Mr. SMITH] be recognized.

Mr. McFARLAND. Mr. President, I would have to object to that request, as I do not want to see the unanimous consent agreement under which we are operating abrogated, but I should be perfectly willing to have it suspended temporarily while the Senator from New Jersey delivers a speech.

Mr. MAYBANK. That is what I was seeking to accomplish, Mr. President, and, if I may, I amend my request accordingly.

The PRESIDING OFFICER. Is there any objection to the request, as amended, of the Senator from South Carolina?

Mr. LANGER. Reserving the right to object, how much time will the Senator from New Jersey desire?

The PRESIDING OFFICER. The Chair is not advised.

Mr. SMITH of New Jersey. I ask 30 or 40 minutes—30 minutes plus.

The PRESIDING OFFICER. The Senator from New Jersey desires recognition for not to exceed 40 minutes. Is there objection to the request, as amended, of the Senator from South Carolina? The Chair hears none, and it is so ordered. The Senator from New Jersey.

INVESTIGATION OF PRACTICES CONCERNING APPOINTMENTS OF FEDERAL JUDGES

Mr. SMITH of New Jersey. Mr. President, I am glad to have an opportunity of addressing the Senate for a few moments on the question of appointments to the Federal judiciary. Having been a practicing lawyer, I have given this matter a good deal of study over a number of years.

For some time I have been observing with considerable apprehension the use of certain policies and procedures in the nomination of Federal judges that seem to me to be undermining the independence and integrity of, and the confidence of the American people in, the Federal judiciary. Let me emphasize at the outset that I am not necessarily attributing the policies and procedures to which I object solely to any one political party or Chief Executive. Much of the information I shall submit to the Senate pertains only to the present administration because I am dealing with current problems; but it would not surprise me to find that similar information could be obtained covering previous administrations. I have no desire to lay sole blame on any party or individual. My objective is rather to bring to light certain facts I have developed which seem to me to indicate the need for thorough investigation and whatever corrective action may be found to be appropriate. I would expect such corrective action to apply in the future to all administrations, regardless of party.

With this in mind, let me summarize briefly the four points involving the Federal judiciary which seem to me to require attention. I shall then briefly discuss each one of them. The four points are:

First. The obvious and extreme unbalance created in the Federal judiciary by the nomination and appointment almost exclusively of persons affiliated with the administration party.

Second. The tendency to nominate Federal judges without prior consultation with the Senators from the State or States in which a Federal circuit or district judicial vacancy exists.

Third. The failure to establish recognized qualification standards for Federal judges.

Fourth. Unreasonable delay in filing Federal judgeship vacancies in spite of generally congested court calendars.

1. THE POLITICAL UNBALANCE OF THE FEDERAL JUDICIARY

All of us are aware, in a general way, of the fact that for many years—covering both Republican and Democratic administrations—appointments to the Federal judiciary have been made on a glaringly partisan basis. In eras when there are frequent changes in the political affiliation of the administration, this tradition does not result in an unreasonable political unbalance among the Federal judges at any given time. But in eras when one political party remains in power for a considerable length of time, the unbalance becomes striking, and offers strong evidence that political affiliation with the party in power is one of the major qualifications for nomination and appointment.

We need only look at the statistics during the past 18 years to see how significant a qualification, affiliation with the administration party has been. When the Democratic administration took office in March 1933, there was a total of 231 Federal judges with life-term appointments. Of this total, there were 172 Republican judges, 57 Democratic, and 2 of unknown affiliation. In other words, in March 1933, 74 percent were Republicans and 25 percent were Democrats. That followed, of course, a period of Republican administration. At this same time the Supreme Court was somewhat better balanced, with 6 Republican and 3 Democratic members. It is obvious that during the 12 years of Republican dominance preceding the administration of Franklin D. Roosevelt, the Republicans weighted the Federal judiciary in their favor.

Since 1933, the Democrats have had 18 years in which to follow this tradition of partisan appointments, and they have, of course, been successful in weighting the Federal judiciary even more in their favor than had been done by their immediate predecessors. As of November 2, 1950, there was a total of 297 Federal judges with life-term appointments. Of this total, there were 241 Democrats and 63 Republicans. Democrats thus held 79 percent of the judgeships and Republicans 21 percent, as compared with a 74- to 25-percent ratio in the opposite direction in 1933. The Supreme Court, as we all know, is now composed of eight Democrats and

one Republican, as compared with a 6 to 3 ratio in the opposite direction in 1933.

It is particularly significant to note statistically just how this change in balance was accomplished. The figures show that of all the Federal judges appointed for life terms between March 4, 1933, and November 2, 1950, 94 percent were Democrats and only 6 percent were Republicans.

Let us consider for a moment the implications of these figures. They do not mean that political affiliation is the only qualification for nomination. They do mean, however, that affiliation with the party of the administration is one of the major qualifications for appointment to a Federal judgeship since it could hardly be coincidence that over a period of 18 years 94 percent of all Federal judgeship appointments should have been made to Democrats.

I submit that this is an extremely unhealthy tradition for America, a tradition that undermines the independence and integrity of one of the three great branches of our Government, a tradition that can have no reasonable justification whatsoever, a tradition that rests upon political expediency. Under the American system of government, a judge is the human embodiment of an office dedicated to impartial justice and fair dealing, an office which must demand and have the highest public respect. The high standard demanded of appointees to the judicial branch, and their complete attachment to things judicial, should not be subjected to the disintegrating erosion of political expediency. Such erosion is inevitable if affiliation with the administration party is considered to be one of the most important qualifications for appointment.

Because of the present political unbalance in our Federal courts, and because of provisions for life tenure for most Federal judges, it is obvious that any standard for a reasonable balance in the political affiliation of Federal judges could be achieved only by a long-range plan consistently followed by all administrations over a period of years. It would be neither possible nor desirable to attempt to achieve such a standard overnight.

The important thing is to reverse the present trend toward ever-increasing unbalance and to work toward a reasonable and practical standard, a standard with sufficient flexibility to be realistic but with sufficient restrictions to prevent the undermining of the independence and integrity of the courts through continued emphasis on political expediency in appointments.

What should the standard be? What is a reasonable balance? The ideal arrangement, it seems to me, would be to have each court either evenly balanced, if the number of judgeships is even, or to allow the party in power a majority of one on each court where the number of judgeships is odd and a vacancy occurs in the normal course of events. To those who consider this suggestion hopelessly Utopian I might add that, even if the objective were limited to a standard providing that a minimum of one-third of all Federal judges on any one court should have been affiliated with the mi-

nority party, it would be a big improvement over the present situation.

How could the establishment of such a standard be achieved? I should like to mention several different approaches, all of which will, I hope, be carefully considered by the Judiciary Committee. Perhaps there are others that I have not thought of that would be more appropriate and practical.

The best approach, of course, would be through voluntary action by the Executive. We have heard a great deal in recent months about the necessity of raising the moral and ethical standards of Government. Certainly the adoption by the Executive of a policy designed to achieve a better political balance in our Federal judiciary would be a welcome sign to the people of this country that the administration was determined to safeguard the independence and integrity of our Federal judiciary.

I may say, Mr. President, that I have discussed this question with a number of distinguished lawyers, and they think that some arrangement might be developed which would be more agreeable all around.

Let me say here that I am not specifically condemning our Federal judicial system. I am accusing no Federal judge of malpractice. I am questioning no specific appointment. I am merely saying that when practically all Federal judgeship appointments over a considerable period of time are given, as a matter of policy, to men affiliated with one political party, I think the inevitable effect is to undermine to some extent the independence and integrity of the judicial branch of our Government. I submit no specific evidence that this has, in fact, happened, because such a contention could obviously arouse violent political controversy which would defeat the purpose of my suggestion. Furthermore, I do not think that it is necessary to submit such evidence. I believe it is sufficient to point out that the present situation might reasonably be expected to have a deleterious effect on our Federal judiciary, and to allow harmful influences to be exerted which are not in keeping with the essential independence and integrity of the judicial branch.

Let me repeat, then, that the most desirable corrective action that might be taken would be to have the Executive voluntarily agree to a plan which would result in a reasonable ratio in appointments between members of our two major parties. I very much hope that this will be done. If it were once inaugurated voluntarily by an Executive, I doubt if any succeeding Executive could disregard it with impunity. But there are other approaches worth considering. It may be desirable for the Senate to express its views on this matter by formal resolution. It is my hope that the Judiciary Committee will explore both of these approaches carefully, as well as any others it considers practical, and submit its recommendations to the Senate.

For the benefit of those who doubt the practicability of anything but the present partisan tradition in judicial appointments, I should like to refer briefly to the experience in my own State of

New Jersey in appointments to State courts. New Jersey has had a tradition of bipartisan appointments to the State judiciary for a number of years and we are justifiably proud of the manner in which both Democratic and Republican administrations have kept faith with the tradition. Democratic Governors Moore and Edison, and Republican Governors Edge and Driscoll, repeatedly emphasized their belief that partisanship must be kept out of judicial appointments, and they all have practiced what they preached. The New Jersey Legislature has provided that judges of the county court and judges of the district court must be selected on a bipartisan basis. There is no requirement that other judicial appointments be made on a similar basis, but such a procedure has been successfully followed for many years. The bipartisan nature of State judiciary appointments in New Jersey is very clearly shown by statistics which have been prepared for me and which I ask unanimous consent to have inserted in the RECORD at this point as part of my remarks.

The statistics are in the form of a memorandum showing the situation in New Jersey, both before and after the new constitution was adopted.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM SHOWING BIPARTISANSHIP IN NEW JERSEY STATE JUDICIARY AS OF JANUARY 2, 1951

REPUBLICAN-DEMOCRATIC BALANCE

1. Prior to reorganization of judiciary under new State constitution, September 15, 1948.

(a) Court of chancery: Chancellor, Republican; vice chancellors, five Republicans and five Democrats.

(b) Supreme court justices: Five Republicans, four Democrats.

(c) Circuit court judges: Seven Republicans, six Democrats, one vacancy.

(d) Court of errors and appeals: Three Republicans, three Democrats.

(e) Common pleas and district courts bipartisan by law.

2. Subsequent to reorganization of judiciary under State constitution, September 15, 1948.

(a) Supreme court: Four Republicans, three Democrats.

(b) Superior court: 14 Republicans, 13 Democrats.

(c) Circuit court and court of errors and appeals abolished under new constitution.)

(c) County and district courts bipartisan by law.

Mr. SMITH of New Jersey. I may say, Mr. President, that the new chief justice of New Jersey, Arthur Vanderbilt, has been a great stickler on this point and has insisted that all appointments be made on the basis of bipartisanship. He has received wonderful cooperation from all members of the bench and bar.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. HENDRICKSON. Does the Senator remember any time in New Jersey when that State did not follow a system of balanced courts?

Mr. SMITH of New Jersey. I remember no time when it did not. I have been there since around 1920, and I

know that we have always taken great pride in our system of balanced courts.

Mr. HENDRICKSON. I thank the Senator, and I commend him for his very fine address.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. FERGUSON. Is it not also true that if we do not follow the idea of balanced courts along political lines, there may come about a feeling that the courts are good places for political hacks?

Mr. SMITH of New Jersey. I agree with the Senator. I was a practicing lawyer for some years and was very much disturbed by evidence which might well lead the public to such a belief.

Mr. FERGUSON. Is not the tendency, both in the case of State courts and of the lower Federal courts, to put such appointments on a nonpartisan basis? I remember that in Wayne County a few years ago, when I was on the bench in that county, there was a movement away from the partisan idea in the election of judges to a nonpartisan idea, for the purpose of bringing about balance in the courts and not having purely political courts. Does not the Senator find that to be the tendency?

Mr. SMITH of New Jersey. I think that is true, and I am very glad the distinguished Senator has brought out that point as part of the discussion. We are discussing a vitally important subject. I think there is nothing more important than to think in terms of a nonpartisan judiciary.

Mr. FERGUSON. Mr. President, if we are to preserve the philosophy that our Government is a government of law, not of men, we must see to it that the judiciary remains free, even in matters affecting appointments to the judiciary. It is, therefore, very vital to start with the question of appointments, rather than try to start after appointments have been made and the nominees sit on the bench. Does not the Senator agree?

Mr. SMITH of New Jersey. I agree with the Senator entirely. That is the point of my address today, and I intend to make suggestions on how the approach should be made.

Mr. FERGUSON. As a former member of the judiciary, I wish to say that I think the Senator is rendering a very great service to the United States by making his address, particularly in the light of what has transpired in the last 18 to 20 years with reference to appointments to the judiciary. It is no answer to say that it was done in other administrations, because I contend it is clearly wrong whether it is done by a Republican or a Democratic administration. It is important to maintain a balance so that there may be free courts, which can render judgments according to law, and not according to political philosophy. Is that not correct?

Mr. SMITH of New Jersey. I thank the Senator. In the opening portion of my remarks I pointed out that during the period of Republican ascendancy there was a distribution which was as blameworthy as the distribution which we find today. I am not making a political speech.

Mr. FERGUSON. I understand.

Mr. SMITH of New Jersey. I am addressing my remarks, as the Senator realizes and as he has stated, in an effort to develop some improved procedures and policies with respect to our Federal judicial appointments.

Mr. FERGUSON. Is not the appointment of judges a good place to have bipartisanship?

Mr. SMITH of New Jersey. I agree. I thank the Senator.

This bipartisan tradition in the New Jersey State courts may be contrasted with the situation in the Federal courts in the third circuit, of which New Jersey is a part. There is a total of 7 circuit judges and 23 district judges in this circuit. Not one of the circuit judges is a Republican, and only five of the district judges are Republicans. Therefore, in the third circuit, less than 17 percent of the Federal judges are Republicans, which is even worse than the situation in the country as a whole.

In the State of New Jersey itself there is a total of six Federal judgeships, all of them in the district court. At the present time, four of these judgeships are occupied by Democrats, one by a Republican, and one is vacant. Thus only 17 percent of the Federal judgeships in the State are occupied by Republicans.

Under the prevailing system I can well understand, as the distinguished Senator from Michigan has said, why substantially the same situation prevailed when Republicans were in control. However, those of us who believe in facing the issue feel that we should get both sides to realize how threatening it is to our security if we allow a situation to continue where aspersion can be cast on our Federal judiciary because of partisanship in appointments.

I come now to my second point.

2. FAILURE TO CONSULT WITH SENATORS CONCERNED PRIOR TO NOMINATION

Recently a Federal judgeship vacancy in the New Jersey District of the Third Circuit was filled by nomination and appointment of a Democrat. Neither the junior Senator from New Jersey [Mr. HENDRICKSON] nor I were asked at any time by the Executive for our advice, nor were we consulted in any way by the Executive in connection with this nomination. Our first knowledge as to the identity of the nominee was acquired from an article in the newspapers based on a White House announcement. Although both my colleague and I specifically requested prior consultation with the Executive in this case, as well as an opportunity to study reports or other information pertaining to qualifications on which the nomination was based, both of these requests were ignored.

I am well aware that the Constitution does not spell out in detail the procedure for the implementation of the general powers contained in the advice and consent clause. It is perfectly clear, however, that the appointment power is a dual power, requiring positive action by both the President and the Senate. The President has the constitutional power to nominate any individual he chooses and the Senate has the constitutional power to decide whether the

nominee should be confirmed for appointment.

Obviously this dual nature of the appointment power raises the possibility of conflicts between the President and the Senate. Such conflicts are not always avoidable, but any procedural steps which can be set up to limit the conflicts to those cases which cannot be resolved by a full discussion of the facts prior to the submission of the nomination are certainly both extremely desirable and quite within the spirit and intent of the Constitution.

We can, I think, be even more explicit than this, since the Senate has repeatedly maintained that the advice and consent clause embodies the concept of prior consultation. I am sure that most Senators will recall occasions on which the Senate has overwhelmingly rejected judgeship nominations precisely because of the failure of the President to consult with the Senators directly concerned before submitting the nominations.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. Would the Senator from New Jersey consider it to be desirable to have the President release to the Senate information on the nominee which has been gathered by an agency prior to confirmation by the Senate?

Mr. SMITH of New Jersey. I think it would be very desirable.

Mr. WATKINS. The Senator realizes, does he not, that when the President makes a nomination the FBI makes, for the President, an investigation of the nominee?

Mr. SMITH of New Jersey. I am so advised.

Mr. WATKINS. The Senate itself is not given such information.

Mr. SMITH of New Jersey. I am so advised. My colleague and I endeavored to get information on a recent nomination, and we were told that it would go to the Committee on the Judiciary, as it probably did. We did not raise any objection to this nomination, because we wanted to expedite the appointment which had already been long delayed. However, we were unable to get such information which we, as the two Senators from New Jersey, felt we were entitled to have. If we had been asked any penetrating questions with respect to the nominee we would not have been able to answer them. We should have been informed in advance of the nomination being made and sent to the Senate.

Mr. WATKINS. There was a recent case in Utah in which a subcommittee of the Committee on the Judiciary made an investigation. It held hearings and took over a thousand pages of testimony. The testimony was kept secret, and the senior Senator from Utah could not even discuss the information on the floor of the Senate when the nomination was before the Senate, because the committee had ordered the testimony to be kept secret.

Mr. SMITH of New Jersey. I was not aware of the fact. I am glad the Senator has brought out the information. He can very well see what I am driving at.

Mr. WATKINS. I think it is assumed that the chairman of the Judiciary Committee may see the FBI reports, and no one else. It seems to me it presents a situation which should be corrected so that the Senate may have before it full information on a nominee when it considers confirmation.

Mr. SMITH of New Jersey. I am offering a resolution, in cooperation with my colleague, which deals with the subject. We hope that the procedure may be reformed.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. FERGUSON. I think the RECORD should be clear that the FBI report on a nominee for a judgeship, as in the case of any other nominee whose nomination must be confirmed by the Senate, is not open to inspection of the Committee on the Judiciary or of a subcommittee. The only person who is entitled to see the report is the chairman of the Committee on the Judiciary. I am sure he frequently finds himself in a position of feeling not quite at ease because of the fact that he is the only one who is entitled to see the report. I am sure he feels that the whole committee and the subcommittee should be able to look at the report before either committee is asked to confirm a nomination. Such a report is not always made before the nomination is made by the President. The President, as I understand, makes the nomination with the advice and consent of the national committee. In other words, he looks to those who are in power politically in a State.

Mr. SMITH of New Jersey. The Senator means the national committee of the political party in power?

Mr. FERGUSON. Yes; of the party in power. After the President makes the nomination he has an FBI report made on the nominee. Then the national committee must be consulted. But no one is allowed to see the report except the chairman of the Judiciary Committee.

I share the view of the Senator from Utah [Mr. WATKINS]. How is the Judiciary Committee to pass upon a nomination, and effectively give advice and consent without knowing what the facts are, without having the employees necessary to make an investigation, which would be a duplication of the FBI investigation? How can we make a report to the Senate, and how can the Senate pass upon the question if we are kept from even seeing the FBI report? I know that on several occasions prior to the present rule the Senator from Michigan was able to see the report, and because he saw the report, the facts were brought out in the Judiciary Committee. On two occasions confirmation was not had. But the rule as now established by the Department of Justice and the President of the United States is that no one except the chairman of the committee may see the reports. I wished to make the RECORD clear on that point.

Mr. SMITH of New Jersey. I am very glad the Senator has made that point clear for the RECORD, because in submitting the resolution for reference to the committee, I am personally very

hopeful that these matters will be looked into, and that some remedial steps will be developed.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. I should like to observe that in the case to which I invited the Senator's attention, after the hearing was held the files were kept in secret in the Judiciary Committee, and no one outside the Judiciary Committee could see the files. I happened to be from the State which was concerned, and I was permitted to see them because I had already heard the testimony. But I could not use them. No Senator outside the Judiciary Committee could see the result of the investigation, and I was unable to use on the floor of the Senate any of the facts developed by the reports except what I got from the witnesses before they actually testified.

The whole thing was in secret. I do not object to executive sessions on these matters, but it seems to me that if it is worth while to hold an investigation and if there is sufficient reason for holding it, in fairness to the nominee the report of the testimony should be made available to the entire Senate. That, of course is a criticism of our own Senate procedure, and not particularly a criticism of the executive branch.

What we have been talking about, in the main, is that the Executive will not give to the Senate the information which he has acquired through the Federal Bureau of Investigation. In most cases it requires considerable time to investigate a nominee, obtain the facts, and present them to the President. The only way we could ever match such an investigation would be to have a comparable agency in the Senate to investigate nominees.

Mr. SMITH of New Jersey. The Senator very ably presents important facts which should be considered by the Judiciary Committee in reviewing the entire question and determining what our procedure should be.

Let me refer to the two occasions recently in which the Senate rejected nominations by the President because Senators from the States concerned were not consulted.

In February 1939, the Senate rejected the nomination of Mr. Roberts to a Federal judgeship in the State of Virginia by a vote of 72-9 because the Senators from Virginia had not been consulted by the Executive prior to the nomination. The distinguished former Senator from Utah, Mr. Thomas, then emphasized the basis for that rejection in a forceful and convincing discussion of the proper interpretation of the advice and consent clause.

More recently, on August 9, 1950, the Senate unanimously rejected the nomination of Mr. Switzer to a Federal judgeship in the State of Iowa because the Senators from Iowa had not been consulted by the Executive prior to the nomination. At that time the Senator from Iowa [Mr. GILLETTE] reiterated the dual nature of the appointive power under the advice and consent clause, and stressed the necessity of prior consultation as a means of avoiding unnecessary

conflict between Congress and the Executive.

Mr. WATKINS. Mr. President, will the Senator yield for another question?

Mr. SMITH of New Jersey. I yield.

Mr. WATKINS. I take it the Senator is of the opinion that the President ought to consult Senators from the States involved prior to appointments.

Mr. SMITH of New Jersey. I agree with the Senator.

Mr. WATKINS. Does the Senator extend that principle to include the Senators of the opposite political party from that of the President?

Mr. SMITH of New Jersey. I should say that if the President is contemplating an appointment in my State, even though he happens to be a Democrat and my colleague and I are both Republicans, and whether he contemplates the appointment of a Democrat or of a Republican, he should consult with the Senators from the State of New Jersey as to the qualifications of the appointee.

Mr. WATKINS. Suppose only one Senator from the State were a Republican?

Mr. SMITH of New Jersey. I should say that the President should consult with both Senators from the State as to the qualifications of a judge.

Mr. WATKINS. In the case to which I referred, involving an appointment in Utah a year ago, the President did not even consult with the junior Senator from Utah.

Mr. SMITH of New Jersey. In my judgment he should have consulted with the junior Senator from Utah. The junior Senator from Utah had a responsibility to the Senate, because he was a Member of this body, and the advice and consent of the Senate was required.

Mr. WATKINS. I felt the same way about it, but I was not given that courtesy by the President.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. FERGUSON. When the President, whether he be a Republican or a Democrat, fails and refuses to consult with the Senators from the State involved, no matter what their political affiliations may be, and consults only with those of his own political party in the State, he conveys the idea to the public that a judgeship is a political patronage matter; and from that standpoint alone he undermines the judiciary as an institution.

Mr. SMITH of New Jersey. I agree with the Senator. That is in part the reason for my remarks here today. I want to urge the President to correct the situation, and to take the whole question of Federal appointments out of the realm of partisan politics.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. SMITH of New Jersey. I should like to complete my statement, but I yield.

Mr. WATKINS. I have only one further question I should like to ask. Is there any pretense at the present time, in the present administration, that the judiciary ought to be more or less a non-partisan institution? Is not appoint-

ment to the judiciary strictly a political question?

Mr. SMITH of New Jersey. I have discussed the principle with the Attorney General, to see if we could not come to some line of agreement. The Attorney General agrees fully with the principle which I am discussing. I am hoping only that these remarks may help to put into practice some procedures in line with those principles. With my colleague [Mr. HENDRICKSON] I am submitting a resolution for reference to the Committee on the Judiciary, of which the distinguished Senator from Michigan [Mr. FERGUSON] and my colleague are both members. I hope the result will be to map out a program which will accomplish the objectives we are discussing with regard to judicial appointments.

Mr. WATKINS. As a member of that committee, I wish the Senator the best of success; but I am very skeptical.

Mr. SMITH of New Jersey. I apologize for not mentioning the Senator from Utah as a member of the Judiciary Committee. This subject will be before his committee in the very near future.

Mr. WATKINS. I thank the Senator.

Mr. SMITH of New Jersey. Continuing with my statement, on the basis of the expressed view of the Senate in these and other cases, my colleague and I considered seriously raising an objection to the New Jersey nomination to which I have already referred. I am frank to say that we decided not to do so for two reasons: First, because there had already been a delay of over 15 months in making a nomination to fill this vacancy in spite of a heavily congested calendar in the district—I shall refer to this delay again later—and, second, because we felt it was more appropriate to raise this issue of prior consultation on its own merits without basing our argument on a single case and thus, of necessity, singling out a single individual for criticism and investigation.

It seems to me reasonably simple for the executive and legislative branches to work out cooperatively a procedure for prior consultation. Such a procedure would, in my judgment, involve the following steps:

First. The Senators from the State where the vacancy exists should be officially informed by the executive of the vacancy and requested to submit to the executive the names of qualified candidates, with such supporting data as they see fit, for consideration along with the names of qualified candidates suggested by other sources.

Second. The executive should subsequently notify Senators of the names of candidates who are being actively considered for nomination to positions in the State of such Senators, and supply them with full information as to the qualifications and character of the candidates.

Third. The executive should arrange a meeting with the appropriate Senators, that is, Senators from the States concerned, prior to the final selection of a nominee, so that an attempt may be made to reach agreement.

Fourth. If agreement is not reached, the executive would of course retain the

sole responsibility and duty to submit to the Senate the name of a candidate whom it considers qualified. But the Senators of the State concerned would, of course, have the right to present to the Judiciary Committee and to the Senate all the facts bearing on the case.

I hope the Judiciary Committee will give careful consideration to this suggestion which I feel would best carry out the intent and spirit of the advice and consent clause of the Constitution without limiting any of the powers contained therein.

3. FAILURE TO ESTABLISH RECOGNIZED QUALIFICATION STANDARDS FOR FEDERAL JUDGES

Federal judges are constitutional officers whose qualifications are not specifically defined in the Constitution. Since the President must, in the last analysis, select those to be nominated for judgeships and since the Senate must confirm this selection before appointment, it is obvious that qualification standards are, in fact, applied both by the President and the Senate. In the absence of any mutually recognized set of standards, carefully worked out after thorough study, each case tends to be handled to some extent on an ad hoc basis, with no available yardstick against which all prospective candidates may be measured. Political and personal pressures are inevitably exerted in connection with all nominations to important Government positions, and especially in connection with nominations to Federal judgeships, which traditionally are positions of great prestige. Such pressures are not necessarily bad and it would be futile to attempt to eliminate them, but they should not be allowed to play a major role in the appointment of our judges. The only way, in my judgment, to prevent this from happening is to establish a reasonable set of qualification standards which would be recognized at least by the Senate, and preferably by both the Executive and the Senate.

I have indicated that such standards require careful study. I do not presume to have given this matter sufficient study to make even a tentative proposal as to what the standards should be. It would seem obvious that all individuals appointed to Federal judgeships should be lawyers with recognized law degrees, should have had a reasonable amount of court experience, and should be of high moral character and unquestioned loyalty to the United States. No doubt there are other necessary qualifications and refinements of those I have mentioned which would be desirable in addition. I hope the Judiciary Committee will consider this problem carefully and obtain the advice of the various bar associations and other appropriate groups in working it out.

4. UNREASONABLE DELAYING IN FILLING FEDERAL JUDGESHIP VACANCIES

This is a matter of great importance to my State of New Jersey.

In spite of a heavily congested calendar in the New Jersey district of the third circuit, it recently took the President 15 months to select a nominee for a vacancy created by Public Law 205 of the Eighty-first Congress on August 3, 1949, in order to expedite the handling

of business in the district. I have previously referred to this delay as one of the reasons why my colleague [Mr. HENDRICKSON] and I did not object to the nomination when it was finally sent to the Senate, in spite of the fact that the Executive had ignored our requests to consult with him concerning the selection of a nominee. I shall not discuss in detail the reasons for this delay, except to say that the information available to me indicates quite clearly that it was totally unjustified and indicative of the unfortunate importance that has been attached to the political affiliation of prospective nominees.

In other words, it was very definitely a battle within the Democratic Party in the State of New Jersey over the candidate, and that held up the nomination for 15 months.

The important point, however, is that the delay occurred and that it is not the only case in the past few years when Federal judgeship nominations in various parts of the country have been held up for very extended periods. Since April 2, 1948, there have been 15 cases where the lapse of time between the date a vacancy occurred and the date a nomination was sent to the Senate exceeded 6 months. In 5 of these cases the delay exceeded 12 months, including 1 of over 17 months, 1 of over 16 months, 1 of over 15 months, and 1 of over 13 months.

These delays have occurred in spite of a general condition of congestion in nearly all Federal courts during this period. Let me cite, for example, the congestion existing in two specific courts where long delays took place. The 17-month delay occurred between August 1939 and February 1951 in the northern district of Ohio, where, for the year ending June 30, 1950, the median time interval between filing and disposition of a case was 14.7 months as compared with a median of 11.2 months for all districts in the United States. The 15-month delay occurred between August 1949 and November 1950 in the New Jersey district—my State—where, for the year ending June 30, 1950, the median time interval between filing and disposition of a case was 19.8 months as compared to the national median of 11.2 months. I need only add the oft-quoted maxim that justice delayed is often justice denied. Such delays as these seems to me to be entirely unwarranted and to require very careful investigation by the Judiciary Committee to determine what should be done to prevent them.

CONCLUSION

I have tried to be as objective as possible in discussing what I consider to be extremely significant problems involving the independence and integrity of and the confidence of the American people in our Federal judiciary. These are complex problems and I have not presumed to analyze them thoroughly or to have suggested final solutions. I think this job properly belongs to the Judiciary Committee. My colleague [Mr. HENDRICKSON] and I are therefore submitting a Senate resolution authorizing and directing a full and complete investigation and study by the Judiciary Com-

mittee or the questions I have raised. The committee is directed to report to the Senate at the earliest practicable date the results of its investigation and study, together with such recommendations for legislative or other action as the committee may deem desirable.

On behalf of myself and my colleague, the junior Senator from New Jersey [Mr. HENDRICKSON], I ask unanimous consent to submit a resolution and request that it be properly referred.

The PRESIDING OFFICER (Mr. NIXON in the chair). Without objection, the resolution will be received and appropriately referred.

The resolution (S. Res. 123) was referred to the Committee on the Judiciary, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to any practices, procedures, or legislative provisions concerning appointments to the Federal judiciary which should be adopted, modified, or abandoned in an effort to preserve and promote the independence and integrity of, and the confidence of the American people in the Federal judiciary, including, but not limited to, those practices and procedures which relate to—

(1) The political affiliation of persons nominated for appointment to the Federal judiciary;

(2) The proper interpretation of the advice-and-consent clause in the Constitution, with particular reference to consultation prior to nomination between the President and Senators from the State or States in which vacancies proposed to be filled by such nominations exist;

(3) The delay in filling vacancies; and

(4) The utilization of minimum qualification standards in connection with nominations and confirmations.

The committee shall report to the Senate at the earliest practicable time the result of its study and investigation, together with such recommendations for legislative or other action as the committee may deem desirable.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that I may address myself to the Senate for not exceeding 10 minutes on the resolution just submitted by my distinguished colleague.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HENDRICKSON. At the outset, Mr. President, I desire to commend my colleague, the senior Senator from New Jersey, upon the presentation he has just made of this important subject. He has covered it very thoroughly, and I know that the thought-provoking discussion we have had from him will serve to enlighten both the Committee on the Judiciary of the Senate and the Senate as a whole.

Mr. President, the general purpose of the resolution now being submitted by the senior and junior Senators from New Jersey is to afford the Senate an opportunity to exercise statesman-like judgment in protecting and fostering judicial balance and integrity in the courts of the Nation.

The four specific objectives of the resolution are, First, to establish precedents or working formulas for maintaining an atmosphere of political balance and integrity in the judiciary as well as high standards of competence; second, to

focus the attention of the Senate on the need for proper application of the advice and consent clause; third, to record the demand of the Senate that the work of the judicial branch be not impaired by undue delays in filling vacancies; and, fourth, to provide standards which will apprise the President, in advance, of the minimum qualifications requisite to confirmation by the Senate.

Turning to the first point relating to balance, it is well known that Presidents in the past have attempted to appoint men who would maintain an attitude on the bench favorable to the policies of their administration. The late Franklin D. Roosevelt made such attempts and, for the most part, succeeded.

That such attempts could be made, stems from the fact that the Constitution contains no express provision with regard to affiliation or competence. However, this omission is not in itself controlling, for with the Constitution, as with a statute or other written instrument, what is reasonably implied, is as much a part of it as what is expressed—*Dillon v. Glass* ((1921) 256 U. S. 368, 373).

The senior Senator from New Jersey (Mr. SMITH) has already analyzed the figures and percentages as they pertain to Federal judgeships. From 1933 to 1950, of all the Federal judges appointed for life terms, 94 percent were Democrats and only 6 percent were Republicans.

I urge very strongly that the Senate face up to its obligations with regard to the exercise of its specific power to advise and consent so that balance and competency in the judicial branch be established and maintained.

The Constitution—article II, section 2, clause 2—states that the President shall nominate and, by and with the advice and consent of the Senate, shall appoint judges of the Supreme Court and other officers. The latter term naturally includes district and circuit judges—*Colins Case* ((1878) 14 Ct. Cl. 568, 574). History reveals that the founding fathers intended to avoid the possibility of a situation which could lead to a purely Presidential patronage arrangement. The aim was that dignity, energy, and strength should characterize the appointees who were to adjudicate the law. Advice and consent, of necessity, then, are something more than blind approval. If in the exercise of its power the Senate prescribes qualifications and thereby limits the appointment to persons of high caliber, it cannot be criticized if by that limitation it achieves the desired objectives of balance, ability, and integrity in judicial appointments.

In addition to the foregoing objectives, there should be agreement on the part of the Senators to force the President to make timely nominations. Crowded court dockets, due to delay in appointments, produce stale litigation and are conducive to inferior judicial performance. The rejection of a nomination for failure to meet the standards should impel the President to more careful consideration of fitness, without undue procrastination, to the end that the work of the court shall remain current.

I come now to the delicate matter of prescribing qualifications. At the

outset, I acknowledge that in the case of constitutional officers, for which enumerated qualifications are not to be found within the four corners of the Constitution, Congress cannot by law prescribe qualifications. The Constitution provided qualifications for the President, Senators and Representatives, but not for judges. Informal attempts have been made to regularize to a limited degree the practice in this field. In the Eightieth Congress the distinguished senior Senator from Wisconsin (Mr. WILEY) then chairman of the Senate Judiciary Committee, went on record as favoring the following general standards: One, able and qualified persons shall be appointed to the courts; two, appointments shall not be distributed as favors for political services, so that politicians without substantial legal backgrounds and other appropriate qualifications will not secure places on the bench; and, three, full weight shall be given to the opinions of the American Bar Association and other recognized legal groups as to recommendations for judicial office—nomination of judges (1947), 33 A. B. A. J. 110. These proposed standards are a worthy beginning. To them should be added others which will insure that persons appointed to the bench will possess the vision, professional skill, and judicial temperament which are necessary if this Government is to remain a government of laws, and not of men.

The advice and consent clause in the United States Constitution has all too frequently been ignored by the President. Our Chief Executive should not continue to disregard the prerogatives of the Senate. In the past he has permitted political differences within his own party to interfere with the prompt making of proper nominations of judges to the Federal bench. The Senate Committee on the Judiciary, of which I am proud to have the honor to be a member, should welcome the resolution submitted today by the senior Senator from New Jersey and myself. I am confident that a thorough study and investigation along non-partisan lines will result in the taking of corrective action which will preserve and promote the independence and integrity of, and the confidence of the American people in, the Federal judiciary.

THE NEED FOR ADEQUATE SUPPORT OF GENERAL MACARTHUR AND THE UNITED NATIONS FORCES IN KOREA

Mr. KNOWLAND. Mr. President—

Mr. WHERRY. Mr. President, I yield 5 minutes to the Senator from California.

The PRESIDING OFFICER (Mr. Nixon in the chair). The Senator from California is recognized for 5 minutes.

Mr. KNOWLAND. Mr. President, the situation in the Far East is receiving a great deal of attention on the part of the American people. Certainly by this time every American and every Member of the Congress of the United States recognizes that the action in Korea is no mere police action. The casualties in Korea up until the present time exceed the total number of casualties in the Revolutionary War, the War of 1812, the Mexican War, and the Spanish-American

War, all combined. The casualties in Korea to date exceed the total number of casualties suffered by the United States in the first year of World War II.

In some quarters overseas, as well as in the United States, there has been a great deal of criticism of the Supreme Commander of the Allied forces in Korea. Because of this situation, yesterday I issued a statement which I should like to read into the RECORD at this point, and then I should like to make some brief comments regarding it.

I read now the statement I issued yesterday:

It now appears that the "hatchet men" of the administration have been turned loose to undermine the position of Gen. Douglas MacArthur and to force a reprimand or recall.

The policies of the State Department have greatly contributed to Communist domination of a large part of Asia. Continual interference by the diplomats in Washington, London, and Lake Success with sound military strategy places a burden on our responsible commanders which is unfair and intolerable.

Reliable information is available that the State Department has not changed its basic position against giving effective aid to the National Government of the Republic of China despite some public relations juggling which took place some months ago and resulted in personnel changes in the Far Eastern Division.

The State Department in Washington and at Lake Success has devoted more energy to placating Great Britain and India than to the all-out support of our fighting men in Korea.

Communist China is the aggressor in Korea and is making war upon the forces of the free world attempting to establish a system of international law and order in the Far East. It is no longer tolerable to expect our men to fight and die while the aggressor is allowed to remain safe in his lair.

Our Armed Forces in Korea are entitled to all-out support. Vacillation and appeasement can only lead to disaster in both Asia and Europe. The Nation now is confronted with the choice between the far eastern policies of the Secretary of State, Dean Acheson, or Gen. Douglas MacArthur. Both cannot be right.

Now is the time for the President to remove Secretary Acheson, and not General MacArthur. With new leadership in the State Department and in its Far Eastern Division, our fighting men in Korea will get the wholehearted support from this Government, to which they are entitled. It will also serve notice on the other United Nations members to start carrying their full share of the load and to stop "playing footsie" with the enemy by trading with him at the same time he is inflicting casualties on the United Nations forces.

Mr. President, the able Senator from Maryland (Mr. O'CONNOR) has performed outstanding work in trying to plug some of the loopholes which permit of the shipment of strategic materials from the United States to Communist China. Of course, the United States has no jurisdiction over the shipments which are occurring from other United Nations members or other sections of the world. But, Mr. President, I submit that the record is indisputable that as of today various strategic materials, including rubber, oil, cotton, automobile trucks, steel, copper, and, I believe also, some munitions of war are being sent into Communist China.

Mr. President, it is an intolerable situation that there should be American

and other United Nations soldiers fighting and dying in Korea when some of the material which upholds the power of the Chinese Communists to make war is being shipped them by United Nations members. I hope that the Senate of the United States will not relax its vigilance, and that the matter will have continued attention. I think the time has come when we must stop talking about it and must take some action to make our allies realize that they should begin to support our war effort in Korea, not to give aid and comfort to the enemy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed a bill (H. R. 3336) to suspend certain import taxes on copper, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 3336) to suspend certain import taxes on copper, was read twice by its title, and referred to the Committee on Finance.

NATIONAL DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES

The Senate resumed the consideration of the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense.

Mr. WHERRY. Mr. President, I send to the desk an amendment, which I offer, and which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 80, it is proposed to add a new section 209, reading as follows:

Sec. 209. Amend section 8 (b) 2 of the National Housing Act, as amended, by—

1. Inserting following the figure \$4,750 the words "per family unit."

2. By striking the words "single-family" and substituting in lieu thereof "one or two family."

3. By striking in the first proviso the following:

"\$4,250, except that the Commissioner may, by regulation increase this amount to not to exceed \$5,000 in any geographical area that he finds that cost levels so require and shall not exceed 85."

And by substituting in lieu thereof the figure "90."

Mr. WHERRY. Mr. President, I invite the attention of the manager of the pending bill, the Senator from South Carolina, and also the Senator from Alabama and the Senator from Utah.

This amendment proposes to amend title I of the Federal Housing Act.

Mr. MAYBANK. Mr. President, if the Senator will yield very briefly, I may say I do not know anything about the amendment.

Mr. WHERRY. I wish to explain it.

Mr. MAYBANK. The amendment has not yet been printed.

Mr. WHERRY. That is correct.

Mr. MAYBANK. May we have the amendment read again by the clerk? I did not hear the first reading of it.

Mr. WHERRY. I have just had it read by the clerk, and, if the Senator does not mind, I shall explain it. There

are three sections to the amendment; first:

On page 80, add a new section 209—

This is the new language:

Sec. 209. Amend section 8 (b) 2 of the National Housing Act, as amended.

That is in title I of the Federal Housing Act. The Senator will have to get it from the act itself.

1. By inserting following the figures \$4,750 the words "per family unit."

That is, a single-family unit.

2. By striking the words "single-family" and substituting in lieu thereof "one- or two-family."

And—

3. By striking in the first proviso the following:

"\$4,250 except that the Commissioner may, by regulation increase this amount to not to exceed \$5,000 in any geographical area that he finds that cost levels so require, and shall not exceed 85."

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. Is that clear?

Mr. MAYBANK. It is very clear, but does it have anything to do with the defense housing bill?

Mr. WHERRY. Yes it does.

Mr. MAYBANK. What has it to do with defense housing?

Mr. WHERRY. I shall endeavor to explain it to the Senator. I have been told by the distinguished Senator from Utah that what I am attempting to do is included in the bill. I want to be sure. I do not think it is, but if the Senator can satisfactorily explain it to me, and will show that the amendment is unnecessary, I say now that I shall be glad to withdraw it. But I want to be sure that the purpose is accomplished.

Mr. President, the amendment proposes to revise section 8 of title I of the National Housing Act now in effect. Mr. President, may I have the Senator's attention? I should like to have the attention of the Senator from South Carolina, for I want to be sure that he understands the purpose of the amendment, because I think it represents something which the chairman himself would have liked to do. This amendment revises section 8 of title I of the National Housing Act now in effect, to make it available for two-family as well as one-family houses, retaining the same cost limits per unit as now prevail in that section. The amendment makes a builder eligible for a commitment but at a lower ratio of loan to value than is available to an owner-occupant. If a builder becomes the mortgagor he may have a 90-percent mortgage which will enable him to hold the property for rent.

Mr. MAYBANK. In other words, there is nothing at all about the cost?

Mr. WHERRY. That is correct.

Mr. MAYBANK. And the provisions of the prior act would be followed, provided the amendment to the committee amendment offered by the Senator from Nebraska is adopted.

Mr. WHERRY. That is correct. The pending measure would change the loan value of a rental project to 90 percent, as it is in the case of an owner, under

title I of the act, when he builds a house for his own occupancy.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. I understood the Senator to say that the Senator from Utah had called to his attention the fact that what he is here attempting to do is already provided in the bill.

Mr. WHERRY. That is correct.

Mr. SPARKMAN. Does not the Senator think that section 903 would accomplish exactly what he is trying to accomplish by way of an amendment to the committee amendment, except that the amendment which the Senator proposes would amend the regular Federal Housing Act—

Mr. WHERRY. Yes.

Mr. SPARKMAN. Whereas section 903 relates to defense housing. After all, this is a defense-housing bill.

Mr. WHERRY. I appreciate that, but I should like to make a record here as to defense housing in isolated areas. If what I am attempting to do is otherwise taken care of, I shall withdraw the amendment, but I wish to be absolutely certain about it. I think that what I am endeavoring to do both the chairman of the committee and the distinguished Senator from Alabama would like to have done. Possibly it is provided for. It did not occur to me that that was the case, however.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield to the Senator in a moment, but I should first like to make a statement concerning my amendment. First, it would permit a contractor who wanted to build a house for rental purposes under title I of the National Housing Act, to do the same thing that he now has the right to do, if he builds the unit for owner occupancy or for sale. That is really the way to say it. Today he cannot do that. The loan value is but 85 percent, whereas under my amendment to the committee amendment, it would be 90 percent, as it should be. I think there should be no difference between the value of the loan, if a person in private enterprise wants to build a unit. Why can he not have the same privileges, if he builds for the purpose of renting, that he now has if he builds for occupancy or for sale? That is what I am trying to do, and what I think my amendment would do.

Mr. MAYBANK rose.

Mr. WHERRY. I shall yield in a moment.

My amendment is designed to make rental housing available for approximately \$35 a month. It is not intended to take the place of title II of the bill or to supplement the supply of rental housing in the low-rental brackets. Title I of the FHA law provides, among other things, for the construction of low-cost housing for sale. It limits the amount for such units to \$5,000 in all areas except those which FHA says are high-cost areas. In those areas the total cost can be increased to \$5,600. Presently such housing can be built only for sale. My

amendment would make it possible to build for rental or sale. The amendment covers only 1- and 2-family units.

Some persons in my State say such housing is needed in certain areas. They say they have commitments from private builders who can and will provide rental housing at \$35 a month, provided regulation X and other credit controls are removed. I am told that they are no different from other areas over the United States which need low-rent, low-cost housing.

My amendment would make rental property available at \$35 a month for a family unit. The suggestion comes from the mayor of one of our largest cities. There is adjoining that particular city an air base which will be re-activated. What the city is attempting to do is to build low-cost, low-rental housing, and it cannot get such a project built under the present situation. Such housing can be built for sale or for owner occupancy.

I shall be glad to yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I wish to make only a very brief statement, and I believe the distinguished Senator from Utah will agree with me, though I do not know as a certainty that he will. This bill is not an over-all housing bill. It is a defense-area housing bill, relating to critical defense areas only, with everything that was originally introduced in connection with the bill practically eliminated. A similar bill was introduced in the House of Representatives, but the original bill, as Senators know, has been stricken out by the committee.

I agree with the Senator from Nebraska as to the necessity of the type of legislation which he suggests, but I cannot believe that it should be in the bill which the Banking and Currency Committee reported, which is a defense-area housing bill. Otherwise, I would agree with the Senator from Nebraska. I agree with the Senator from Alabama that we should increase public housing. But this is a critical defense-area housing bill.

I want the Senator to understand that I appreciate his interest in the bill, and what he has suggested. I think the time will come when we must consider a proper housing bill at this session of the Congress. But this is not such a bill.

Mr. WHERRY. Mr. President, I am well aware of the truth of the observations made by the distinguished Senator from South Carolina, and I deeply appreciate that there should be a new housing bill which will involve all the titles of the Federal Housing Act.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. We have reduced the amount from \$3,000,000,000 to approximately a billion and a half dollars. Certainly this is not the time for a relaxation of credit controls, or for doing away with certain sections. When that time comes, I shall be the first one to suggest it. We endeavored to frame a bill which would be anti-inflationary.

Mr. WHERRY. I am in sympathy with what the distinguished Senator says, and it is not my purpose to attempt to amend the Federal Housing Act or to attempt to open it up for many amendments. I think the committee, in its wisdom, has used good judgment in reporting this type of bill. The goal for which we are striving, it seems to me, is not only to have an amount fixed, but this bill, if possible, should cover low-rental housing—housing for rent as well as for sale and occupancy.

When I took up this amendment with the Senator from Utah, he pointed out that the committee did have this subject in mind, and that on page 60, after the word "areas," in line 7, this language would be found:

The Commissioner is authorized, upon application by the mortgagee, to insure under this section or section 908 as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided—

This is the important thing—

any mortgage which is eligible for insurance as hereinafter provided and upon such terms as the Commissioner may prescribe to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon.

I should like to ask the Senator from Utah, the Senator from South Carolina, and the Senator from Alabama, who has had great experience in housing, if they all agree that this language gives the Commissioner the discretionary power to accept insurance for rental housing on the same basis as he now accepts it on property for sale under title I of the FHA Act?

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BENNETT. If the Senator will read on in this particular section he will find listed conditions which the Commissioner must accept. On page 61, beginning in the fourth line, is this condition; it is not stated as a condition, but it is the heart of the section:

That the Commissioner shall have power to require properties covered by mortgages insured under this title to be held for rental for such periods of time and at such rentals or other charges as he may prescribe.

In other words, this entire section is intended to produce properties for rental. The primary purpose is to have them held initially for rent; later they can be sold for individual owner occupancy. That is the first point I want to make.

Mr. WHERRY. The ceiling for this type of housing is approximately \$9,000, and up to this time the requirements have been so high that none of the housing has been built. In the low brackets the ceiling is \$4,750.

What I want to know is whether, under this language, the Commissioner could write a directive wherein he could extend insurance to those who desired to build low-cost rental housing. That is now permitted under this section only as to housing for sale or occupancy.

Mr. BENNETT. I invite the attention of the Senator to the fact that under titles I and II the properties built are

supposed to conform to the rule of economic soundness. Under this provision that rule is relaxed, and houses can be built for rent if they are regarded by the Commissioner as an acceptable risk. They do not need to be economically sound in the sense that there is no question about their paying out.

Mr. WHERRY. Would not the Senator feel that there would be no difference, so far as the soundness of the loan was concerned, whether the property was built for occupancy, for sale, or for rent?

Mr. BENNETT. I am trying to make the point that under title II of the bill the requirements are even easier than they are under the FHA law.

Mr. WHERRY. If that is the interpretation of the managers of the bill, and also of the distinguished Senator from Alabama [Mr. SPARKMAN], I shall withdraw my amendment.

Mr. MAYBANK. I appreciate the Senator's saying that, but I want to be perfectly frank and say that section 903 of this bill permits loans only up to 90 percent of the value, as against 95 percent in section 8.

Mr. WHERRY. That puts the man who builds for rental purposes on the same basis with the man who builds for sale or owner occupancy. I want to be sure that the Commissioner can, under this bill, permit 90 percent of insurance on low-cost housing, whether built for rental or for sale.

Mr. MAYBANK. The Senator is correct.

Mr. WHERRY. If everyone agrees that the language permits it and is capable of such interpretation, namely, that the Commissioner may do so in the exercise of his judgment, it has all the force of the amendment which I have offered.

Mr. MAYBANK. That is my understanding.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BENNETT. I should like to point out that under the bill the commissioner can insure mortgages on properties which are built for rental.

Mr. WHERRY. I understand that under title I he cannot do it. I thought he could do it only on properties which are built for owner-occupancy or for sale. I do not intend to change the value. I would leave the value at 90 percent, which is the same as on construction for owner-occupancy or for sale. Certainly it would make sense to give an owner the same right if he wants to rent the property as is given to him if he wants to sell it or occupy it himself.

Mr. MAYBANK. The law gives him the right to do it to extent to which the commissioner may grant it. In my judgment, the commissioner would grant it.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WHERRY. Before I sit down, Mr. President, I want to be sure that there is no disagreement about it. Am I correct in stating that it is the understanding of the managers of the bill on both sides of the aisle that the Commissioner

can, if he so desires, permit the insurance to be on the same level—

Mr. MAYBANK. Whether it is for sale or for rent.

Mr. WHERRY. Whether it is one or the other?

Mr. MAYBANK. Yes.

The PRESIDING OFFICER. The Chair wishes to inform the Senator from Nebraska that he has 2 minutes remaining.

Mr. WHERRY. I thank the Chair.

Mr. MAYBANK. I merely make the suggestion that I have used none of my time. Any additional time which the Senator desires to take may be charged to my time.

Mr. WHERRY. I understand I have the assurance of the managers on both sides of the aisle—and I do not desire to divulge the name of the town in Nebraska to which I have reference—that if a community desires to build a low-rental project it is permitted to build the housing either for rent or for sale.

Mr. MAYBANK. The Senator is correct, that is if the Federal Housing Commissioner so approves.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. It is very clear, indeed. I think it is crystal clear. I refer the Senator to page 61 line 4. I read:

That the Commissioner shall have power to require properties covered by mortgages insured under this title to be held for rental for such periods of time and at such rentals, or other charges as he may prescribe; and, with respect to such properties being held for rental—

And so forth.

Mr. WHERRY. The distinguished Senator from Indiana, I understand, also agrees with the managers of the bill that what I have suggested can be done.

Mr. CAPEHART. I am not agreeing. I say that is what the language provides.

Mr. WHERRY. Is it the Senator's opinion that the commissioner can take such action?

Mr. CAPEHART. That is what the provision says to anyone who can read the English language.

Mr. WHERRY. Just a moment. I do not care about that.

Mr. CAPEHART. I agree with the Senator 100 percent.

Mr. WHERRY. I do not care what the Senator says about my ability to read the English language.

Mr. CAPEHART. I did not mean it in that way.

Mr. WHERRY. That is what the Senator said.

Mr. CAPEHART. I apologize to the Senator.

Mr. WHERRY. I thank the Senator.

Mr. CAPEHART. I doubly apologize to the Senator.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAYBANK. I yield 5 minutes to the Senator from Nebraska.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I think everyone will agree that under title I of the Federal Housing Authority it is impossible to get

low-cost housing for rental purposes on the same basis that housing for sale or owner occupancy can be obtained.

Mr. CAPEHART. Except under the Wherry Act.

Mr. WHERRY. That is a different act. That is title VIII. All I am attempting to do is to extend the same privilege to a builder whether he builds housing for rental, occupancy, or sale. I want to extend the same percentage of insurance to property built for rental that is now provided for property built for owner occupancy or sale. Up to the time the pending bill was introduced no such right was extended. The distinguished Senator from Utah says that the language of the bill applies to the low-rental housing to which I am referring in title I of the act. I want to be sure about it, because I have been told that it did not apply; that it applied only to title II of the act. I have been told that it applied only to a higher type of housing, namely, up to \$9,000. I understand that whether the cost is \$4,000, \$7,500, or \$9,000, the Commissioner can make regulations to permit the same terms to be applied to rental housing as would apply to housing built for owner occupancy or for sale.

Mr. MAYBANK. The Senator is correct, provided the housing is in a critical defense area.

Mr. WHERRY. That is correct. I now yield to the Senator from Indiana.

Mr. CAPEHART. I was not thinking of the Senator from Nebraska when I referred to a reading of the language. I wanted to make it doubly certain that what the able Senator from Nebraska was saying was correct, because the language of the bill specifically states it. I wanted to make it doubly certain so that the Commissioner would not make any mistake.

Mr. WHERRY. I thank the Senator from Indiana. That is all I had to say. I appreciate his statement very much. That is the question I asked and that is the answer I received. I now have not only the assurance of the managers on this side of the aisle but the managers on the other side of the aisle, as well as of a member of the committee on the minority side and of an outstanding member of the committee on the other side of the aisle. They have cleared up the situation. I now withdraw my amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. SPARKMAN. I was going to ask a question, but I think the Senator has stated the answer to the question I intended to ask. I wish to agree with what the able chairman of the committee has said and with what the Senator from Utah has said, namely, that two points are clear. First, section 903 relates to critical defense areas.

Mr. WHERRY. That is correct.

Mr. SPARKMAN. Secondly, the percentage is 90 percent rather than 95 percent, as it would be under section 8 of title I.

Mr. WHERRY. That is correct.

Mr. SPARKMAN. So far as the amount of the cost of the building is con-

cerned, it can be any amount which the commissioner applies to it.

Mr. WHERRY. The Senator so interprets the language, does he?

Mr. SPARKMAN. Yes.

Mr. WHERRY. I thank the Senator. I now yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I wish to nail down the last point by putting into the RECORD again my statement that on page 62 the bill provides:

The principal obligation of such mortgage shall not, however, exceed \$8,100.

In other words, it can be in any amount up to \$8,100. It can be \$1,000, if a contractor will build a comfortable house for that amount.

Mr. WHERRY. What the Senator has said makes my case even stronger. In this case I am not anxious to go up. Instead, I am anxious to go down. I want to know that a property owner can build an installation in Lincoln, Nebr., with a ceiling not exceeding \$5,000, can get his insurance at 90 percent, and can rent the property; that he is not limited to occupying it himself or selling the property. Everyone is agreed that he can do so under the provisions of the pending bill.

Mr. BENNETT. The Senator has let slip the name of the mysterious city in Nebraska. Does he wish the name to remain in the RECORD?

Mr. WHERRY. If I let it slip, I will let it stay in the RECORD.

The PRESIDING OFFICER. Does the Senator from Nebraska withdraw his amendment?

Mr. WHERRY. I withdraw my amendment.

Mr. DIRKSEN. Mr. President, earlier this afternoon I submitted an amendment to title III, which was modified during the course of discussion on the floor of the Senate. The amendment was subsequently adopted by the Senate. We find now that in order to make the language conform with the intent of the committee it ought to be inserted at a different place in title III.

Accordingly, Mr. President, I ask unanimous consent that the action of the Senate by which the amendment was agreed to be reconsidered, so that a perfecting amendment, which has been agreed upon by both sides, may be submitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I now submit perfecting language.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois to the committee amendment will be stated.

The CHIEF CLERK. On page 80, line 24, in the committee amendment, after the word "provide", it is proposed to insert the word "permanent."

In line 24, after the word "housing", it is proposed to insert the words "in isolated or relatively isolated areas, subject to the provisions of section 101 hereof, or to provide temporary housing."

Mr. DIRKSEN. Mr. President, I doubt very much whether the amendment needs any laboring. It has been rather roundly discussed all afternoon, and

there is agreement on both sides with respect to the perfected language. So in the absence of any further controversy or discussion, I rest the case.

Mr. MAYBANK. Mr. President, I wish to take this opportunity to thank the Senator from Illinois for clarifying the amendment which he offered, and which we tried to perfect on the floor during debate. We have been engaged in clarifying it while other Senators have been speaking on other subjects. So I accept the amendment as chairman of the committee.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Illinois [Mr. DIRKSEN] to the Committee amendment is agreed to.

Mr. DIRKSEN. Mr. President, I submit one further amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois to the committee amendment will be stated.

The CHIEF CLERK. On page 97, line 17, in the committee amendment, it is proposed to strike out the word "or" where it occurs the first time in that line, and insert the word "and."

Mr. DIRKSEN. Mr. President, in all fairness I must say that I have not submitted this amendment to the chairman of the Senate Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, will the Senator please repeat the amendment?

Mr. DIRKSEN. On page 97, line 17, the second word in the line is "or." It is proposed to strike the word "or" and substitute the word "and."

The net effect of that amendment, Mr. President, is this: Under the language of section 401 the President may make one of two findings in connection with the development of the so-called isolated or relatively isolated areas. The first finding is that housing or community facilities could not otherwise be provided. The second finding is that there would otherwise be land speculation in connection with such an installation. My notion is that the two findings ought to be made, instead of one.

Mr. BENNETT. One finding instead of two?

Mr. DIRKSEN. No; two findings instead of one. The first finding is that adequate housing facilities would not be provided. The second finding is that there would otherwise be land speculation. The President could very conceivably find that there was speculation in an area. Housing facilities of a kind might be available, and yet it would be possible to go into that area and, under the provisions of this language, have the Housing Administrator develop the necessary site. I believe that the amendment which I have offered would materially improve the bill.

Mr. President, I do not believe that the amendment requires any further discussion on my part.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] to the committee amendment on page 97, line 17.

Mr. MAYBANK. Mr. President, I fear that I shall not be able to accept the amendment. In line 14 we have the language "in an isolated or relatively isolated area." I believe that in many instances there could be two findings, first, that housing or community facilities would not otherwise be provided, and second, that there would otherwise be land speculation.

Mr. DIRKSEN. I am glad that the chairman agrees that there ought to be two findings, because that is the purpose of the amendment.

Mr. MAYBANK. I do not construe it that way.

Mr. DIRKSEN. As the language now stands, the President may make one finding, instead of two. Striking the word "or" and substituting the word "and" requires that two findings be made.

Mr. MAYBANK. I do not so construe it.

Mr. DIRKSEN. I believe that the amendment is necessary.

Mr. MAYBANK. It is proposed to substitute the word "and" for the word "or." Personally I do feel we should require both findings in all cases.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I believe that if the Senator from Illinois will consider the matter carefully he will see that by changing the word "or" to "and" he might in some instances absolutely defeat the purpose of the bill. In other words, two things would have to exist. First, there must be an acute need for housing and community facilities which otherwise would not be provided. Second, there must be present the element of undue land speculation.

It is entirely possible that there might be an area in which we simply could not get the housing or facilities under any condition, even though the land were dirt cheap and there was no speculation. Yet if the word "and" were substituted for the word "or," it would be impossible to get development under such conditions. It seems to me that in some instances we might defeat the purpose.

I realize that in most instances both conditions would exist before the Government would be authorized to move; but in some instances it might very well be that only one of the conditions would exist; and, in that case, I think the Government ought to be able to proceed.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DIRKSEN. Can the Senator conceive of any condition under which, properly speaking, both findings should not be made? After all, this is a defense housing bill, notwithstanding the fact that the title with respect to the development of sites in isolated areas is involved, because it implies and looks forward to the development of housing in that particular area. The only two areas of which we have any knowledge are the one at Paducah and the other at Aiken, S. C. In both instances there is envisioned the development of a hous-

ing program. Consequently, the need ought to be ascertained, as a finding by the President. The second requirement is that there would otherwise be land speculation, or danger of land speculation. That finding also should be made.

Mr. SPARKMAN. I do not agree with the Senator. As I see it, there might be instances in which no land speculation or danger of undue land speculation was involved, and yet where the other condition would exist in such an impelling fashion that the Government ought to have the power to move. I grant for the sake of argument that in most instances both conditions will be present. But let us assume the case of an installation in Alaska, for example, where no private builders would care to go in. The chances would be that there would be plenty of acreage, and that there would be no danger of land speculation. However, private builders might not want to go in where a remote installation was being made, and yet there would be no land speculation. The first condition would exist, but the second condition would not exist.

Certainly in such a case as that, in an isolated area, the Government ought to be empowered to move. As I see it, the way the language is now written, it would empower the Government to move in that kind of case, and only in that kind of case.

Mr. DIRKSEN. I invite the attention of my friend from Alabama to the language under the second requirement on page 97. The first requirement is that the President must find that housing and community facilities would not otherwise be provided. The second finding is that there would otherwise be speculation or uneconomic use of land resources which would impair the efficiency of defense activities at such installation. That, I think, is a perfectly logical requirement, and both of them ought to coexist before we undertake an installation of that kind, because the program may run into a very substantial sum of money, and it should not be lightly entered into.

Mr. CAPEHART. Mr. President, it is not quite clear to me what we are trying to do. I can well understand that under (1) the housing or community facilities needed for such installations might well be supplied by the communities themselves, and yet they might be unable to secure the land because of the price, or because the owners simply would not sell it. The reason we wrote in (2) —

Mr. MAYBANK. Mr. President, I yielded only 5 minutes. May I ask how much time I have left?

The PRESIDING OFFICER. The Senator from South Carolina has 15 minutes.

Mr. MAYBANK. I thank the Chair.

Mr. CAPEHART. Mr. President, I do not believe that I agree with the able Senator from Illinois. In fact, he has not sold me on the idea of substituting the word "and" for the word "or." If we substitute the word "and" for the word "or," it means that both findings must be made, first, that housing or community facilities needed for installations would not otherwise be provided when

and where required, and secondly, that there would otherwise be speculation or uneconomic use of land resources which would impair the efficiency of the defense activities at such installation. I believe that each finding should stand on its own bottom.

Mr. SPARKMAN. Mr. President, that is exactly the argument I have been making.

Mr. CAPEHART. If we substitute the word "and" for the word "or," it means that even though housing and community facilities were badly needed, if there were no land speculation, we could not develop such facilities under (1).

Mr. SPARKMAN. Exactly.
The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. CAPEHART. I am opposed to the change in language.

Mr. MAYBANK. If the Senator from Indiana wishes more time, I shall be glad to let him have as much as he wishes.

Mr. CAPEHART. I might take half a minute more.

Mr. MAYBANK. I agree with the Senator from Indiana. I do not know how far reaching the substitution of the word "and" for "or" may be. The change of one word may be quite important. I am not prepared to legislate such seemingly technical details on the Senate floor when, in fact, it may have far-reaching consequences.

The PRESIDING OFFICER. The Senator from South Carolina has yielded one-half minute to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I have concluded. I will say, however, I do not believe I can see the need for the substitution of the word "and" for the word "or." If the word "and" is substituted for the word "or," it will mean that no matter how badly housing facilities were needed, if there were no land speculation, they could not be built. I am opposed to the substitution.

Mr. DIRKSEN. Mr. President, I do not believe my time is exhausted, but I do not feel that I should attempt to prevail upon the Senate. However, I feel that it is in the interest of greater efficiency to tie the President down by making two findings instead of one. I submit the amendment on that point.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN] to the committee amendment on page 97, line 14.

The amendment to the amendment was rejected.

Mr. MAYBANK. Mr. President, is there an amendment pending?

Mr. SPARKMAN. Mr. President, I call up my amendment of April 3, 1951, lettered "A," and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 112, between lines 3 and 4, it is proposed to insert the following:

SEC. 613. (a) Section 512 (b) of the Servicemen's Readjustment Act of 1944 is amended (1) by striking out clause (C); and (2) by striking out "June 30, 1951" and inserting in lieu thereof "July 25, 1957."

(b) Section 512 (d) of the Servicemen's Readjustment Act of 1944 is amended to read as follows:

"(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title."

(c) The first sentence of section 513 (a) of the Servicemen's Readjustment Act of 1944 is amended to read as follows: "For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof, as the Administrator shall request from time to time except that no sums may be made available after July 25, 1957."

(d) Section 513 (c) of the Servicemen's Readjustment Act of 1944 is amended by striking out "June 30, 1952" and inserting in lieu thereof "July 25, 1958."

Mr. SPARKMAN. Mr. President, the amendment seeks to extend the authority we wrote into the Housing Act last year whereby the Veterans' Administration was given power to make direct loans for veterans' housing up to an amount of \$150,000,000. It was understood at that time that it would be in the nature of a stand-by authorization, and yet it was one that the committee, as I recall, practically unanimously agreed was necessary if there is to be a steady availability of housing loans for veterans throughout the country. There was a period during which it was virtually impossible in many areas of the country, particularly in rural and semi-rural areas, to get veterans' loans. Of course, the present rate of interest on the veterans' loans under the Veterans' Administration is 4 percent, whereas the rate in the conventional FHA loans is 4½ percent.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. Yes.

Mr. THYE. I ask permission first to make a brief comment. I shall support the amendment. I note that the expiration date in paragraph (d) of the amendment is July 25, 1958. That is actually extending the life of the provision 7 years. It would seem to me that that is really extending the life of the provision further than is necessary. We could review the provision either in 1954 or in 1956, and not extend it to the year 1958.

Mr. SPARKMAN. I am glad the Senator from Minnesota raised that question. I do not think that is the heart of the case at all. The date given is the expiration date of the Servicemen's Readjustment Act, and that is the reason for placing the date in the amendment. The amendment does not seek to provide in money a single dime more, but to authorize the use of the money which has already been provided, and to make it a revolving fund, so that if any veterans' loans were made, and later the paper should be sold into private channels, the money would revolve back into the fund,

and be used over and over again throughout the life of the Readjustment Act. It does not provide for any additional money at all. The \$150,000,000 we authorized has been used only to the extent of some \$48,000,000. The authorization is about to expire. It will expire on June 30 of this year, unless it is extended. What I am trying to do is to extend the \$150,000,000 fund with some authority. My reason for using the long-time date which the Senator has pointed out is that it coincides with the expiration of the Servicemen's Readjustment Act. I am seeking to make of this a revolving fund; not to provide more money, but simply to use the same money over and over.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes, I am glad to yield to the Senator from Illinois, if the Senator from Minnesota has concluded.

Mr. THYE. I have concluded. The Senator has answered my question. The only other comment I would make is that it seems to me the life of the act and the life of the revolving fund extend beyond what we might recognize as an emergency period.

Mr. SPARKMAN. I would have no objection to a modification of the amendment. I do not think that is the heart of the proposition. The heart of it is, as I believe, to continue this authority as a stand-by authority so that the GIs to whom we have promised extension in housing loans, if they cannot secure them anywhere else, and if they are good security risks—both conditions being carried in the law—will know there is some place where they can get loans.

Mr. THYE. That is the reason why I supported the Senator's amendment. However, I do not believe we should carry the proposal further into the years than is actually necessary.

Mr. SPARKMAN. I would have no objection to a modification of the amendment.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DIRKSEN. I certainly shall not oppose the amendment, but I believe it is rather faulty technique to amend the Servicemen's Readjustment Act by means of an amendment to a housing bill.

Mr. SPARKMAN. The reason for it is that this provision was written into the Housing Act of 1950.

Mr. DIRKSEN. That I can understand, of course, but I still think it is quite faulty technique. However, I have no objection to the amendment. I simply wanted to make the comment. I think the amendment establishes a good principle which will be useful in other days. Some years ago I introduced a bill—and I trust I shall find time to re-introduce it—to compel nearly every lending agency of the Government to make the paper it holds available to anyone who wishes to buy it if he will buy it on terms of par, meaning the unpaid balance plus the accrued interest. Had we had that kind of provision years ago, the Rural Electrification Administration, the Farm Security Administration, and the RFC could have sold whatever paper

they had and could have accumulated a revolving fund. Thus, not so much lending power by way of appropriations out of the Federal Treasury would have had to be provided.

If there are servicing institutions that are willing to buy such paper at par, it should be offered for sale at stated periods.

So, Mr. President, I subscribe to the general principle which has been announced here, and I hope we can carry it through.

Mr. SPARKMAN. Mr. President, last year when we had before us the question of transferring the FNMA authority I advocated the very thing the Senator has mentioned, namely, that we exert every effort to transfer that paper as rapidly as possible. After all, the Government should be on a stand-by basis. The Government should make every effort to make credit available, and it should turn over the loans or the paper as rapidly as possible.

Mr. BENNETT. Mr. President—

Mr. SPARKMAN. Mr. President, I now yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I wish to make clear on the RECORD that at present I am opposed to including an amendment based on this principle, for I think the amendment is outside the scope of a defense-housing bill, and would have us enter the general housing field. I thought we did well to persuade the Senator from Nebraska to withdraw his amendment, so that we would keep within the scope of the defense-housing bill.

My objection to the amendment—and I shall vote against it—is an objection in principle, namely, that I should like to see this bill pass as a "clean" defense-housing bill, rather than as an omnibus bill including many other matters.

Mr. SPARKMAN. Mr. President, in reply to the Senator from Utah, I must admit that I have a great deal of sympathy with the viewpoint he has discussed.

Before I submitted this amendment, I discussed it with the chairman of the committee, and I knew what his views were.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. Mr. President, let the time I use in making these remarks be taken from my time, please.

Of course, when the Senator discussed the amendment with me, my views were the same as those of the Senator from Utah. In other words, I do not think this bill should be a general housing bill. It should be a defense housing bill. I frankly felt that, inasmuch as the bill is a defense housing bill, this amendment should not be included in the bill.

Representatives of various veterans organizations testified before the committee and favored this amendment. I regretted to oppose the amendment, particularly under those circumstances, because I have always supported all veterans' legislation. I supported it in 1950 and I supported the GI bill of rights and the bills to provide the housing needed by veterans. I also support the housing proposals which were submitted

by General Gray and others who appeared before the committee only last week.

I wish to make perfectly clear that it is not my purpose to oppose the amendment the Senator from Alabama has submitted to the committee amendment. He spoke to me about the amendment. I told him that I could understand that it might be that the bill would be further amended in the House of Representatives; and if that were to happen, we would not be in a bad position if previously we had adopted his amendment. However, I said I hoped the bill would remain a defense-housing bill, and would not be changed to a catch-all bill.

I repeat that statement because I have not been willing to accept other amendments which other Senators spoke to me about on the same grounds.

Mr. SPARKMAN. Mr. President, the chairman of the committee has correctly stated the substance of our discussion regarding this amendment. He will recall that I told him that I had been induced to submit the amendment only because I understood that the House of Representatives might include in the bill an additional authorization for FHA. If that should prove to be the case—namely, if the bill which came to us from the House were to include an additional authorization for FHA—inasmuch as the chances are that there will not be another housing bill before us this year, we would not have a chance to consider again this particular provision.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. As the Senator from Alabama well knows, both he and I belong to many of the veterans' organizations. I do not wish to be regarded as opposing the veterans' organizations, when I have supported them all my life.

Mr. SPARKMAN. That is correct.

Mr. MAYBANK. I have voted in favor of a great deal of legislation proposed in their behalf—both measures reported from the Banking and Currency Committee and measures reported by other committees.

However, I wish to say to the Senator from Utah [Mr. BENNETT] that it was my thought that if were to take this amendment to conference, if by that time the House had not added to the bill additional legislative proposals on this subject, in the conference we might delete the amendment, and thus might hold the amendment in abeyance until the House of Representatives passed and sent to us a bill relating to the subject matter of the amendment. So I was opposed to including the amendment in this bill.

Mr. BENNETT. Mr. President, let me inquire, in order to clarify my understanding of what the Senator just said—

Mr. SPARKMAN. Mr. President, I would ask the Senator to postpone his inquiry for a brief time, because my time is about to run out.

Mr. MAYBANK. Mr. President, I am willing to have the Senator take whatever time he needs out of my time, since I have ample time.

Mr. SPARKMAN. Mr. President, I was about to suggest to the chairman of the committee that what I should like to do would be to take the amendment to conference; and in the event the House of Representatives should not add the additional FHA authorization which all of us know we shall have to make before this year ends, I would be perfectly willing, if the conferees are opposed to including this amendment, not to insist on having the amendment remain in the bill; and thereafter we could take it up at the time when we consider an additional FHA authorization bill.

However, in the absence of such a measure, it seems to me that we should include this amendment in this bill, inasmuch as we shall not have another chance to make such a provision this year, unless the House includes in the bill an amendment providing the FHA authorization.

Mr. BENNETT. Mr. President, does the Senator assume that if the House of Representatives adds the FHA authorization as an amendment, the conferees will accept it automatically?

Mr. SPARKMAN. I do not know; but in the event that both the Senate and the House adopt amendments providing the FHA authorization, both those matters will be in conference, and the conferees could act on them as they might see fit to do.

Mr. BENNETT. Mr. President—

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. Mr. President, I yield first to the Senator from Utah.

Mr. BENNETT. Mr. President, I should like to observe for the RECORD that, so far as I can remember, there was very little testimony in the committee in regard to this particular matter. It was not seriously considered in the committee and now comes to us as somewhat of a surprise. However, the proposal is not a surprise because we have had it before us for some days.

Mr. MAYBANK. Mr. President, if the Senator will yield to me, I should like to agree with the Senator that the amendment has been before us for several days. In the committee there was very little testimony because the committee did not wish to go outside the scope of a defense housing bill, as I stated a few minutes ago. I myself also took that position.

I say very frankly that if there were a yea-and-nay vote on the amendment, I would oppose it, because I know the committee has made the statement that the amendment is outside the scope of the bill.

However, now that the Senator has suggested that the amendment be taken to conference, so that it will be available there in the event the House of Representatives votes to include in the bill things outside of title II, I am willing to accept the amendment.

Mr. BENNETT. Mr. President, I accept the amendment, on that basis.

Mr. MAYBANK. Mr. President, at this point I would like to include in the RECORD a letter which I received from Miles Kennedy of the American Legion on this subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Washington, D. C., February 27, 1951.
Hon. BURNET R. MAYBANK,
Chairman, Senate Banking and Currency Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: This letter is a follow-up of an effort that was made to discuss the subject matter herein with you personally. We were advised by Mr. Parsons that in the best interest of your health personal appointments on legislative matters were being discouraged.

We would like to compliment Mr. Parsons for having adopted such a policy and in particular for the courteous way in which he explained the situation to us. It is at his suggestion that we express our views on the subject in this letter, a copy of which is being forwarded to Senator SPARKMAN with whom we will endeavor to discuss the matter further in person.

As you know, the American Legion is vitally interested in all of the Government housing programs especially as they relate to veterans. You are also aware of the fact that our particular concern over the years has been in the loan-guaranty provisions of our own GI bill and its relation to the overall housing picture. Your committee at the present time has under consideration a bill (S. 349) which is known as the Defense Housing and Community Facilities and Services Act of 1951. This bill provides for the establishment of several Federal housing programs in the interest of national defense but makes no mention as to how these programs would relate in the over-all housing picture to the loan-guaranty program of the Veterans' Administration.

Mr. Raymond M. Foley, Administrator of the Housing and Home Finance Agency, while testifying before your committee, expressed the view that as certain areas are declared by the President to be defense areas for the purposes of the defense housing legislation that regulations now imposing private credit restrictions on GI and other Federal housing programs would probably be relaxed on a selective basis. The American Legion feels as though such a policy must be followed in order to justify the enactment of the proposed legislation and takes this opportunity to recommend that the Congress go one step further in the interest of preserving the veterans' program by providing specific language in the bill expressing the intent of Congress on this issue. In this connection there is enclosed herewith a proposed amendment which would be a substitute for section 512 of S. 349.

Another matter of interest to the American Legion is the direct-loan program of the Veterans' Administration which was provided for in the Housing Act of 1950. This program set aside \$150,000,000 for direct loans to be made by the Veterans' Administration to veterans who lived in areas where private financing under the GI-loan program at 4 percent interest was not available. As a 1-year provision this program is scheduled to expire on June 30 of this year.

We are advised by the Veterans' Administration that through January 10 of 1951, 5,309 actual or potential loans have been recorded totaling about \$34,000,000. While this indicates a relatively low volume of direct-loan activity there are factors such as the international situation, improved availability of 4 percent money from private sources and a strict determination as to areas eligible under such program which make the low figures more readily understandable. Probably the greatest value of the direct-loan program is the part that it

plays in stabilizing a 4 percent interest rate on GI loans. We are advised by the Veterans' Administration that their field offices are able to dispose of many of their direct-loan applications by merely calling the local lending institutions and advising them that a direct loan will be made to the veteran if private financing at 4 percent cannot be located.

The American Legion is mandated to seek the continuation of this direct-loan program and it is our feeling that it is closely enough related to the purposes of the defense housing bill to warrant an amendment thereto. The first question that comes to mind in considering the continuation of the direct-loan program is whether or not it will be necessary to appropriate additional funds in order to insure the accomplishment of purpose. If the current figures on the utilization of direct-loan funds can be considered as an indication of future use we find that only 50 percent of the amount of money appropriated for the year will be used. We are advised, however, that with the current efforts of the Veterans' Administration to relax their eligible area designations, the utilization of the direct-loan fund from now until June 30 could be expected to exceed the amount which was used during the first 6 months of the program. In any event it is fairly reasonable to presume that the entire amount of money appropriated will not be depleted by June 30.

Under the law the Veterans' Administration is authorized to sell direct loan mortgages but is prevented from using the proceeds of such sales to make additional loans. It is our feeling that if the law were so amended as to permit the Veterans' Administration to use the proceeds of such sales as a revolving fund that it would be unnecessary to appropriate any additional moneys for the continuation of the direct-loan program. If this could be accomplished the part which the direct-loan program plays in stabilizing 4 percent interest for GI loans could be continued on an indefinite basis. We are enclosing herewith a proposed amendment which we believe will carry out the above.

We are also enclosing a copy of resolution No. 545 of the thirty-second annual national convention held in Los Angeles, Calif., October 9-12, 1950, which sets forth the national housing program of the American Legion. While there is no specific mention made in this resolution of the defense housing bill we feel that point 6 gives us ample authority to support the provisions of S. 349 if the above-mentioned amendments could be included.

Thanking you for your consideration of the above, and with kindest personal regards, I am,

Sincerely yours,

MILES D. KENNEDY,
Director.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. Now that the Senator has made his explanation on the floor of the Senate, I should like to ask him whether it would be well to change the dates stated in the amendment, because, as I understand, the Senator wishes to be certain that this amendment will be in the bill in the event the House takes certain other action.

I notice that by means of his amendment the Senator would extend the termination date from June 30, 1951, to July 25, 1957. So it is obvious that it will be necessary for some action along this line to be taken this year.

Could not the Senator achieve all of his objectives by having his amendment

provide for a 1-year extension, for example? Such an amendment would cover the lapse, but would not provide for such a long extension. Under those circumstances I think there might be considerable support for the Senator's amendment.

Mr. SPARKMAN. Mr. President, perhaps the Senator from California was not in the Chamber when the Senator from Minnesota [Mr. THYE] made the same point. I suggested to him that I did not consider the termination date now appearing in the amendment as being the heart of the amendment at all. My interest is in keeping these provisions alive.

Mr. KNOWLAND. From a parliamentary point of view, what is the date the Senator now is proposing?

Mr. SPARKMAN. It is the date when the Servicemen's Readjustment Act of 1944 expires. This amendment is geared to the Servicemen's Readjustment Act, and the fund would become a revolving fund. However, I am perfectly willing to comply with the suggestion which has been made.

Therefore, I suggest that the amendment be modified so as to have it provide an extension for the life of the bill, which is 2 years, rather than for 1 year.

Mr. KNOWLAND. Two years?

Mr. SPARKMAN. Yes.

Mr. KNOWLAND. Would the Senator accept that as a modification of his amendment?

Mr. SPARKMAN. Yes, Mr. President; I accept that modification, if it is also agreeable to the Senator from Minnesota.

Mr. THYE. Yes; it is. That modification will make the amendment comply with my suggestion, and then the amendment will meet with my approval.

The VICE PRESIDENT. The amendment to the committee amendment will be modified accordingly.

The question is on agreeing to the modified amendment submitted by the Senator from Alabama [Mr. SPARKMAN] to the committee amendment.

The amendment, as modified, to the committee amendment, was agreed to, as follows:

On page 112, between lines 3 and 4, insert the following:

"SEC. 613. (a) Section 512 (b) of the Servicemen's Readjustment Act of 1944 is amended (1) by striking out clause (C); and (2) by striking out 'June 30, 1951' and inserting in lieu thereof 'July 1, 1953.'"

(b) Section 512 (d) of the Servicemen's Readjustment Act of 1944 is amended to read as follows:

"(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title."

(c) The first sentence of section 513 (a) of the Servicemen's Readjustment Act of 1944 is amended to read as follows: "For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of

miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after July 1, 1953."

(d) Section 513 (c) of the Servicemen's Readjustment Act of 1944 is amended by striking out "June 30, 1952" and inserting in lieu thereof "July 1, 1954."

Mr. CASE. Mr. President, I offer an amendment to the committee amendment, which I ask to have read.

The VICE PRESIDENT. The clerk will read the amendment to the committee amendment.

The LEGISLATIVE CLERK. On page 59, line 23, it is proposed to strike out the period and insert a colon and the following: "Provided, That no moneys in said funds shall be expended for administrative expenses of the Federal Housing Administration under this title except pursuant to such specific authorization therefor as may hereafter be enacted by the Congress."

Mr. CASE. Mr. President, this amendment to the committee amendment has been drafted by the staff of the committee in response to a question which I raised on the floor recently, to deal with the situation presented by the language on page 59 of the committee print of the bill. On page 59, in section 902, there would be created a National Defense Housing Insurance Fund. The Commissioner would be authorized and directed to transfer to such fund the sum of \$10,000,000 from the War Housing Insurance Fund, which has been established pursuant to the provisions of section 602 of the present act.

That provision is followed by this language:

General expenses of operation of the Federal Housing Administration under this title may be charged to the National Defense Housing Insurance Fund.

Bearing in mind that further on, in section 904 (c), the debentures issued in the name of the National Defense Housing Insurance Fund are unconditionally guaranteed by the Secretary of the Treasury, it seemed to me that it would be important to provide for congressional review of the administrative expenses. I had in mind in that connection the fact that when agencies have been created with a fund placed in their hands which they could use for administrative expenses without any review by the Appropriations Committee, they have been known to set up expanding personnel programs and projects which, if presented directly to the Congress or to the Appropriations Committee, would not be approved. Members of the Senate will recall that a few years ago, because of the abuses which developed because of that kind of practice, the Congress adopted what was known as the Russell amendment, which provided that programs might not be initiated in any case through the application of funds in which a direct request for funds for that particular type of project had been made and had been refused.

It seems to me that we are here providing a new insurance fund which would be created by a transfer, and authority is given to charge to such fund the expenses of operation. It seems to me that some guarantee should be given

that Congress will be afforded an opportunity to review the project program and the personnel and employment program of this new title, as part of the housing program.

So I raised the question. The distinguished chairman of the committee agreed with me in principle, and it was then agreed that legislation might be drafted in the form of an amendment to be proposed to the committee amendment at this point; which I have now done.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CASE. I yield to the distinguished chairman.

Mr. MAYBANK. I wish to say that the amendment will accomplish the desired objective of the Senator from South Dakota. He brought the matter to our attention last Thursday, I think it was.

Mr. CASE. That is correct.

Mr. MAYBANK. The amendment has been worked out, and it is acceptable to me, as chairman. I trust it will be found acceptable by other Senators.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from South Dakota [Mr. CASE] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BENNETT. Mr. President, I send to the desk an amendment which I ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 66 it is proposed to strike lines 5 through 23, and in lieu thereof to insert the following:

(e) With respect to any mortgage insured under this section, the mortgagor shall agree (1) to certify under oath, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost of said physical improvements (exclusive of off-site public utilities and streets and organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost of said physical improvements (exclusive of off-site public utilities and streets and organization and legal expenses), as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. Said mortgagor shall require, by contract with each principal contractor, that said contractor will submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, records of his actual costs, expenses, and charges, and that said contractor shall submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, all invoices from subcontractors and architects, and records of actual disbursements to said subcontractors and architects. The Commissioner shall construe the term actual cost, as used in this section, in such a manner as to reduce the same by the amount of all kick-backs, rebates, other than trade discounts, received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.

On page 76, strike lines 24 and 25 and on page 77, lines 1 through 16, and in lieu thereof insert the following:

(3) the mortgagor shall agree (i) to certify under oath, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost of said physical improvements (exclusive of off-site public utilities and streets and organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost of said physical improvements (exclusive of off-site public utilities and streets and organization and legal expenses), as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. Said mortgagor shall require, by contract with each principal contractor, that said contractor will submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, records of his actual costs, expenses, and charges, and that said contractor shall further submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, all invoices from subcontractors and architects, and records of actual disbursements to said subcontractors and architects. The Commissioner shall construe the term "actual cost" in such a manner as to reduce the same by the amount of any kick-backs, rebates other than normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.

The VICE PRESIDENT. The Senator from Utah is recognized for 20 minutes.

Mr. BENNETT. Mr. President, the purpose of this amendment is to eliminate a situation which arose under section 603 and section 608 of the old title VI of the FHA Act in which the high percentage of permissive mortgage apparently made it possible for some contractors to collect from the mortgage more money than they actually put into the erection of the property mortgaged. There has been a great deal of complaint about this procedure.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BENNETT. I yield.

Mr. LONG. In the amendment offered by the Senator, having worked on the language of the amendment to some extent with the Senator, it has come to the attention of the junior Senator from Louisiana that the words "other than the normal trade discount," as used in his amendment, should read "and", instead of "other than", and so forth. So I would ask whether the Senator would be willing to modify his amendment by striking out the words "other than", and substituting the word "and" where that language appears in those two sections.

Mr. BENNETT. I am willing, reserving the right to make a comparison of the two texts completely later, and to discuss it again.

Mr. President, throughout the hearings and the committee discussions of the bill all members of the committee were concerned with this problem. We were concerned with providing language which would insure to the builder the

maximum proper mortgage on his construction and, at the same time, would protect the interests of the Government, which supplied the mortgage insurance, as contrasted with the previous situation, in which, in fact, the builder had no equity in the property which he built.

This has been a difficult thing to put into language, and we have written and rewritten this particular provision many times in an attempt to find language which would insure the result desired, and yet not put an unreasonable burden on the contractor who was doing the building. The language written into the bill, which appears on pages 66 and 76, would require the contractor not only to certify for himself, but to secure similar certificates from every subcontractor.

Before I came to the Senate, I was in a business which acted both as a subcontractor in building operations and dealt with other subcontractors. I therefore, realize that there are many persons who do not keep adequate records, and who in other respects might be irresponsible. Accordingly, I can conceive of a situation in which a prime contractor is building a number of buildings and is required to submit a complete set of certificates, but for one reason or another is unable to obtain a set of certificates from his subcontractors. Under the rules, he would then be unable to receive a mortgage. That certainly was not the objective of the committee in requiring certification. So the language of the amendment has finally emerged, as the joint wisdom of several members of the committee who were all working toward the same thing, first, to see to it that it would not be possible under the bill for builders to build houses or subdivisions or vast rental projects, and mortgage them for more than the amount of the cost of erection. At the same time, we wanted to protect the contractor from a comparatively impossible situation.

The amendment simply requires the contractor to maintain a complete set of cost records on the project, including the invoices he has received from his subcontractors and the checks he has drawn to pay them, and to submit these to the Administrator when he applies for the mortgage, if the Administrator asks for them, and to hold them for 2 years to enable the authorities to make any survey or investigation that should be required.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BENNETT. I yield.

Mr. LONG. Would the Senator's amendment make it possible for a person to receive a mortgage in the amount of 100 percent of the actual cost, but not more than 100 percent?

Mr. BENNETT. The contractor is required to certify under oath that the actual cost of the physical improvements equaled or exceeded the proceeds of the mortgage. So he can receive from the proceeds of the mortgage an amount equal to 100 percent, but if he receives more than that he is required, under this amendment, to return the difference to the mortgagee.

Mr. LONG. If Mr. Jones was the mortgagor, and if he would ultimately own the housing project after it was

paid off, as in a case in which Jones had set up a Jones Corp. in which 99 percent of the stock was owned by him, which acted as the contractor, which is the case in connection with almost every one of the general housing units, judging from past experience, would the Senator's amendment make it possible to maintain the profits of the Jones Corp. as part of the actual cost of the project?

Mr. BENNETT. I think it would, because the mortgagor is required to certify that the cost of the improvements is not less than the amount received under the mortgage. So the profit of the builder can be preserved.

Mr. LONG. That is the point I have in mind. According to the testimony of representatives of the FHA, that is the case in at least 90 percent of all housing projects. So we would have before us a case in which Jones and the Jones corporation were in law two different persons, though were actually the same, but because Mr. Jones was doing business with the Jones corporation, and we permitted the Jones corporation to make a profit of 5 percent and consider it as being part of the actual cost of the enterprise, it would yet be possible for the amount of the mortgage to exceed by 5 percent what Mr. Jones' cost actually had been. Therefore, by permitting the element of the contractor's profit to be made a part of the mortgage, it is possible, in a practical sense, for Mr. Jones to borrow more money from the Federal Government than it would cost Mr. Jones to erect the project. Would not that be true?

Mr. BENNETT. I do not see how it could be prevented, if we are going to allow any subcontractor to make a normal profit, because the Jones corporation then stands in the position of a contractor entitled to make a profit. I do not see how we can practically cut it out without damaging mortgagors and builders who are in a bona fide position.

Mr. LONG. I am sure it could be cut out by simply inserting language somewhere in the bill providing that the actual cost shall not include the profit of the prime contractor with whom the mortgagor is doing business.

Mr. BENNETT. On the other hand, in a case in which the mortgagor and the prime contractor are not necessarily the same, we would then cut out the profit of the prime contractor. I do not think we want to do that.

Mr. LONG. The Senator realizes, does he not, that according to the testimony of the FHA, in more than 90 percent of the cases the mortgagor and the prime contractor are the same in everything except name; in other words, that the mortgagor owns the prime contractor?

Mr. BENNETT. Is the Senator from Louisiana suggesting that he will submit an amendment containing language which would take away the profit of the prime contractor?

Mr. LONG. I would ask the Senator if he would be willing to agree to such language, because, frankly, if we do not have such language in the bill, we are going to make it possible for persons to build housing projects on Government money, where the Government guaran-

tees the loan in a greater amount than it actually costs to build the project, and there would not be any actual equity, in terms of cash investment, in some of the projects.

Mr. BENNETT. Before I answer the Senator's question, I should be happy to yield the floor to the Senator from Illinois [Mr. DOUGLAS], who, I understand, wants to speak on the subject, and that would give me an opportunity to discuss the question with the junior Senator from Louisiana.

Mr. DOUGLAS. Mr. President, the Senator from Louisiana has put his finger, in his usual way—

The VICE PRESIDENT. The Senator from Illinois cannot now be recognized in his own time.

Mr. MAYBANK. Mr. President, I yield the Senator from Illinois 10 minutes.

The VICE PRESIDENT. The Senator from Illinois is recognized for 10 minutes.

Mr. DOUGLAS. Mr. President, the Senator from Louisiana has put his finger on one of the great difficulties in all Federal Housing Administration mortgage insurance programs; namely, the definition of "cost" and the definition of "value." What we are seeking, perhaps imperfectly, to do with the language which has been proposed by the Senator from Utah, is to correct some of the abuses which developed under section 608 of the National Housing Act, to which the Senator from Louisiana has again and again invited the attention of the Senate.

In the hearings on the housing amendments of 1949, the Senator from Louisiana subjected the Federal Housing Commissioner, Mr. Richards, to a very penetrating cross-examination. It will be found on page 434 and subsequent pages of the hearings, and it bore out the charges which had been made against the Federal Housing Administration in the January 1950 issue of the Architectural Forum. By his cross-examination the Senator from Louisiana established the fact that in administering the mortgage insurance program for multiple unit or apartment housing under section 608, "necessary current cost," which was the basis for granting commitments under that section, had been very loosely defined by the FHA. He elicited from the Federal Housing Commissioner the admission that a uniform 5-percent allowance had been given for architect's services, even though the architect might have been in the employ of the builder or mortgagor, and even though architect's costs may have amounted to only 1 or 1½ percent. Therefore, the common practice, in the case of architect's fees, was for an allowance to be made which was 3½ percent greater than the actual amount paid by the mortgagor.

The Senator from Louisiana also developed the fact that a general allowance of 5 percent was made for general contractor's profit, although, as he also developed, in 90 percent of the cases the mortgagor was also the general contractor and builder, and, therefore, this contractor's profit actually became a mortgagor's profit. The 3½ percent, added to the 5 percent, came to a total of 8½ percent. Then a 2- to 3-percent allow-

ance was made for contractor's overhead, out of which he was frequently able to save 1 percent. On top of that, allowances were made for attorney's fees for services, which were frequently furnished by the mortgagor and builder himself. Now, the mortgage commitment under section 608 was theoretically 90 percent of the "necessary current cost," and the mortgagor was supposed to invest 10 percent of his own money. But when you consider the 10-percent profit which the mortgagor made from architect's and legal fees, contractor's profit and overhead, the 90 percent of the cost was, in reality, 100 percent of the cost, and there was no equity investment at all.

That was not the whole story, either, because, in addition, subcontractors' profits were counted as part of the cost, and frequently the mortgagor and the subcontractor were one and the same.

Then there is the matter of land value, which was a real-estate rainbow with a handsome pot of gold at either end. This was because the amount of the mortgage included the value of the land after the FHA commitment had been made. The mortgagor-builder would buy raw land. He would get a commitment from the FHA for an FHA mortgage. The value of the land would immediately jump to about five or six times its original cost.

Then the appraisers of the FHA would count as the value not the cost of the land but the value of the land after the commitment had been made. So that in practice, even if the costs of a given builder were "normal or average," what frequently resulted was that the size of the mortgage and the amount of money which he obtained was in excess of the actual out-of-pocket costs which he had incurred. Frequently the mortgagor bought land, got an FHA commitment for a building on that land, and then sold the commitment, land and all, at a handsome profit. In other words, the Government not only furnished the money free to the mortgagor but it gave him a bonus for coming and taking the money away.

There were other ways of milking profits out of 608 mortgages. For example, a standard 12 to 18 months building period was allowed by FHA. Many mortgagors were able to build in 6 months. In this way, they were able not only to save on allowable labor costs and carrying charges, but also to get from 6 to 12 months free rent, which the FHA did not consider in setting rent levels on these projects.

In addition, necessary current cost was estimated by the FHA on the basis of what it would cost the average or typical builder to put up the project. Most experienced contractors were able to cut corners and cut their actual costs far below the FHA estimates, and these savings added to the profit on the mortgage. Senator Long said, during last year's hearings, that one builder in Louisiana was able to build for 70 percent of the FHA estimates. I suspect, therefore, that the FHA definition of a typical builder was a rather liberal one.

Mr. President, all this was an extraordinary abuse of the principles of the FHA. As I understand, the FHA was not orig-

inally designed to remove all risk from the contractor or builder. The contractor or builder was to get some profit from the building once constructed. In return, however, he was to take some risk; he was expected to invest at least 10 percent of the appraised value of the building and land, out of his own funds. Under the apartment-house program of section 608 a mortgagor or builder did not have to put up any money. In some cases he actually made money on the mortgage issued under those provisions. In other words, what we had was a subsidized private construction of apartment buildings under section 608. Instead of making his money on the renting of apartments after the construction had been completed, he also made a lot of money on the mortgage itself—a mortgage insured by the Government.

Mr. President, we have had many investigations recently, but I think we should have some inquiries—if “investigation” is a naughty word—into the conduct of the Federal Housing Administration under section 608. I think we should find out, for example, whether there were favored groups which got mortgage commitments, while others were held off at arm’s length. I think we should know something about the appraisal of costs and of land value, which were made by FHA. These are questions, Mr. President, which I hope the Committee on Banking and Currency will look into. They are questions which were very much in the minds of the Senator from Utah, the Senator from Louisiana, and the Senator from Illinois, in attempting to draft a provision which would check the continuation of such abuses in defense housing, which is the subject now before the Senate. I do not say that our answer is perfect. I had originally thought that we should provide a guaranty of not more than 90 percent of the actual building cost. However, it developed that such a percentage, plus the cost of the land, plus any off-site utilities, in the case of subdivisions, would mean an equity investment of 16 or 17 percent. That seemed to me to be too heavy a burden. So I have agreed with the Senator from Utah on a guaranty not to exceed 100 percent of the cost of physical improvements, but with no provision for the cost of the land. At least we are going to require the builder to pay for the cost of the land. We are, furthermore, going to see to it that we get a statement of costs, and we shall try to confine costs, so far as possible, to actual outlays; although the point which the Senator from Louisiana makes is very appropriate, namely, that by the organization of dummy corporations, it would be possible to circumvent the intent of these provisions, and to reduce the mortgagor’s equity by the amount of the contractor’s profit, and perhaps by other items as well. Nevertheless, I think the amendment suggested by the Senator from Utah would introduce some improvements. At least I think it would put the chiselers on the defensive. I think it would reduce the subsidy which comes from the Government.

XCVII—220

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. I am sure the Senator agrees that if a builder expects the United States Government to assume all of the risks involved in the building of a housing project and expects to realize all the profit himself, he should at least be willing to put a few dollars of his own money into the undertaking. The proposition of a person making an enormous profit in the first place, with the Government taking all the risk, and losing all the money if necessary, would certainly not justify the Government paying the person on a Government-secured mortgage more than it actually cost him to get the housing erected.

Mr. DOUGLAS. I agree with the Senator from Louisiana. I think it is an illustration of where Government subsidies tend ultimately to lead. We finally get to the point where private parties who receive the subsidy not only do not want to put up any money themselves, but they ask for an actual outright donation in order that they may obtain the subsidy.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. LONG. The Senator from Illinois has been a member of a subcommittee investigating improper influence in a Government agency. He realizes, does he not, that by making it possible to use Government credit in order to make enormous profits without taking any risks tends toward such improper influence.

Mr. DOUGLAS. Exactly so. What we have developed under section 608, and what may develop in defense housing, unless the protective provisions proposed by the Senator from Utah are adopted, is a system of public risk and private profit. Anyone who wants to make a private profit should assume a private risk. As the Senator from Louisiana says, FHA has been moving in the direction of the taxpayers assuming all the risks and the builder not only getting the profit from the building, which is legitimate, but a big profit from the mortgage as well.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. LONG. Mr. President, I offer an amendment to the amendment offered by the Senator from Utah.

The VICE PRESIDENT. The Senator’s amendment is not in order at this time.

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. Can the Chair advise me under what circumstances it would be possible for me to offer an amendment to the pending amendment?

The VICE PRESIDENT. The pending amendment is an amendment in the second degree. No amendment to the amendment would be in order, because such an amendment would be an amendment in the third degree.

Mr. LONG. Will an amendment in the second degree be acceptable at such

time as the pending amendment to the amendment may be adopted?

The VICE PRESIDENT. It would not be. Unfortunately, it cannot be amended.

Mr. DOUGLAS. Could it not be done by unanimous consent?

The VICE PRESIDENT. It could be done by unanimous consent, but the Senator would have to modify his own amendment.

Mr. MAYBANK. Mr. President, reserving the right to object, and I do not intend to object—

The VICE PRESIDENT. There is no request before the Senate to which an objection would apply.

Mr. MAYBANK. Mr. President, I assured the Senator from Connecticut [Mr. BENTON] some time ago that I would allow him 5 minutes. I should like to do so at this time. In the meantime perhaps the Senator from Illinois, the Senator from Louisiana, and the Senator from Utah may get together.

I yield 5 minutes to the Senator from Connecticut.

Mr. BENTON. Mr. President, before the Senate votes on this bill today I ask for a few minutes to discuss section 313, relating to community facilities and services in critical defense housing areas and to housing in critical defense housing areas. Members of the Senate may recall that section 313 calls for “such sums, not exceeding \$60,000,000, as may be necessary” for the former, and “such sums, not exceeding \$50,000,000, as may be necessary” for the latter.

Mr. President, it was my feeling that these sums might prove to be inadequate. However, as I understand, they are satisfactory to the chairman of the committee.

To illustrate the importance of this problem in industrial States, I should like to give to the Senate—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to say that it is his idea that the chairman of the committee is satisfied with the sums named?

Mr. BENTON. Yes.

Mr. MAYBANK. I am sorry, but I did not tell the Senator that.

Mr. BENTON. I do not have it directly from the chairman of the committee. I am glad to be corrected.

Mr. MAYBANK. This bill is the best bill we could obtain, in the face of the toughest situation I have ever faced—with the war in Korea, with inflation rampant and with credit restrictions—

Mr. BENTON. I am very glad to have the record made straight. I think it bears on the illustrations from the State of Connecticut which I should like to submit to the Senate.

In order to dramatize the crucial importance of this section of the bill, I should like to take a typical city in Connecticut, the city of New London. During the last war Connecticut had the highest per capita production of military equipment and similar defense items of any State in the Nation, and New London was a most important factor in that remarkable record.

Recently the top defense authorities in Washington have called attention to

the critical need for establishing a new steel mill in the New London area, in order to decentralize steel production, reduce transportation costs, and increase steel capacity. The projected steel mill will hire 3,000 men, which will mean an initial increase of population of 15,000 or thereabouts. Ultimately more than seven times that number, or 140,000 people, will probably move into this area, mostly from other States.

It is of the highest order of importance to the national defense that this population increase take place in this industrial area for the production of the goods which are now being ordered.

The social problems which will be created will be enormous, unless the Government recognizes them and provides help.

All the towns in the New London area are up to their borrowing limit. There is no excess capacity in the school system. In fact, some of the school buildings now being used are 150 years old.

The present hospital facilities are not adequate for the present population, let alone 15,000 more people. A serious water problem will develop.

In other words, meeting the Nation's defense needs in the New London area will pile a whole series of unpaid bills upon local communities. This might involve, without Federal help, a social as well as a political catastrophe.

A similar situation prevails in the East Hartford-Manchester area. United Aircraft has in that area gigantic plants making critically needed aircraft engines and propellers. Manchester is the fastest growing town in Connecticut. Two new schools built only last year are already overcrowded. There is a desperate need for a new high school. Water and gas use are at the critical point from the standpoint of supply, and hospital facilities are inadequate to meet the present situation.

East Hartford and Manchester were never able successfully to meet the tremendous thrust of population brought about as a result of World War II. They were just on their way toward mastering the 6-year-old problem when suddenly the new defense effort hit them with renewed force.

It is easy for those who come from rural States to talk about the dangers inherent in Federal concern with community facilities. I have received telephone calls and telegrams from persons representing the real-estate interests, telling me that the community-facility program is socialistic. All I can say is that the characteristic road to socialism or communism is for the Government to turn its back upon the legitimate needs of communities such as these. Where are there today more legitimate needs than those now created by the tremendous social avalanche set in force by defense production? I should be happy to take any Senator, at my own expense, to visit the New London and Manchester areas if Senators want physical proof of the tremendous problems which communities in industrial States generally are facing in this new era.

The VICE PRESIDENT. The Senator's time has expired.

Mr. BENTON. Mr. President, may I have 30 seconds more?

Mr. MAYBANK. I yield 1 minute more to the Senator from Connecticut.

Mr. BENTON. Mr. President, we are prepared in Connecticut to build the factories which will produce the goods needed for war, or to meet the threat of war. But communities cannot and should not be asked to take care of the influx of people from other States without Federal aid and support of the objectives which are of concern not only to the people of Connecticut, but to all the people throughout the 48 States.

I thank the distinguished chairman of the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, it was my judgment when the amendment was submitted that it was too stringent to permit the building of houses. I am not interested in contractors, or in FHA loans, or anything of that nature. I merely wish to make the statement that, if the amendment drafted by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Utah [Mr. BENNETT], and particularly as amended by the Senator from Louisiana, is adopted and sent to conference; unless I am certain that we are going to get the houses built, as chairman of the committee I shall oppose it, and may go along with whatever the House may put in the bill, or whatever we can work out with the House.

I know that the section 608 program was subject to much abuse. I know that contractors made fortunes when some of them did not expect to make them. However, I will say that the amendment, as drawn by the Senator from Utah and the Senator from Illinois, would bring about a great improvement over the horrible situation which prevailed in 1949 and 1950 under the old section 608. In some instances contractors may have, no doubt, made as much as 120 percent. At least this is a step in the right direction.

One of the main things we must not forget is that if we want to get the houses built, contractors are entitled to a fair and honest profit, as is any other businessman. If we eliminate all the profit of contractors, the contractors will simply shift from building houses to some other defense work. They are entitled to be paid for what they do.

This is another case of an amendment being drafted on the floor of the Senate. I will say that I am in agreement with it. It is better than what is in the bill; but, I wish to reserve the right, as chairman of the committee, to oppose it unless I can be convinced that with it in the bill houses will be built.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT] to the committee amendment.

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. It is my understanding that the amendment offered by the Senator from Utah is an amendment in the nature of a substitute for paragraph (e) on page 66. With regard to the language which is being stricken, is it in order to offer an amendment to that language?

The VICE PRESIDENT. The Senator may offer an amendment to the language of the bill for which the amendment is offered as a substitute.

Mr. LONG. I then offer an amendment, on page 66, line 10, in the committee amendment, after the word "of", to insert "the profit of the prime contractor of"; also on page 77, line 2, after the word "of", to insert "the profit of the prime contractor of".

The VICE PRESIDENT. The amendment offered by the Senator from Louisiana will be stated.

Mr. BENNETT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BENNETT. I understood the Chair to rule that the Senator cannot amend my amendment. Must we not dispose of my amendment first?

The VICE PRESIDENT. No. The perfecting amendment, of language sought to be stricken out, takes precedence.

The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 66, line 10, after the word "of", it is proposed to insert the words "the profit of the prime contractor of."

On page 77, line 3, after the word "of", it is proposed to insert the same language, "the profit of the prime contractor of."

Mr. LONG. Mr. President, in explanation of the amendment I would say that unless such language as I propose is inserted, the provision will not accomplish what it seeks to accomplish, as I understand its purpose. The provision seeks to prevent any person from securing a Government-guaranteed loan on a housing project in excess of the actual cost of the housing project. If that is not the case, and if this language is not inserted, it would still be possible, because the mortgagor and the contractor are in more than 90 percent of the cases the same person. When we permit the profit of a prime contractor to be considered a part of the actual cost, then we make it possible for the mortgagor, who is also the contractor, to obtain a loan in the amount of, let us say, 105 percent on a Government guarantee, 105 percent of the cost of building a project.

The purpose of this language in the entire bill is this: A person could secure a guaranty of 90 percent of the cost. We know as a practical matter that contractors sometimes have obtained a guaranty of as much as 150 percent of the actual cost. The sponsor of the project takes no risk in such a case. He reaps all the profits, and the Government takes all the loss, if there is loss. Therefore it would make good sense to exclude the profit of the prime contractor in order to require that when a person sponsors a housing project on which the Government is going to take most of the risk, such person should at least be required to have some small equity investment in the housing project.

I believe the amendment would probably accomplish that result.

The junior Senator from Louisiana has been much interested in that matter. During the hearings on the House bill

of last year, the junior Senator from Louisiana spent about 5 or 6 hours cross-examining officials of the FHA in an attempt to obtain the actual facts as to the manner in which certain persons were obtaining Government-guaranteed loans in amounts exceeding sometimes 30, 40, and 50 percent of the cost of building projects. I believe the committee has made a very serious and earnest effort to prevent that result from happening, but it is my sincere opinion that unless the profits of the prime contractor are excluded the result will be that the Government will take a risk of hundreds of millions of dollars on which the contractors will make enormous profits on projects in which they will have no equity investment whatsoever.

As I suggested to the senior Senator from Illinois [Mr. DOUGLAS] if we want to eliminate improper influences in Government, then let us eliminate these types of transactions where the Government takes all the risk and some profiteer takes all the profits. Then we will not have so many people trying to rush in to grab up projects when they see that they are not going to make a great profit without taking a risk.

The VICE PRESIDENT. The question is on the amendment offered by the junior Senator from Louisiana [Mr. LONG] to the original language of the committee amendment.

The amendment to the committee amendment was agreed to.

The VICE PRESIDENT. The question now is on the amendment of the Senator from Utah [Mr. BENNETT] as a substitute for the entire language, including the amendment just adopted.

Mr. SPARKMAN. Mr. President, the Senator from Illinois [Mr. DOUGLAS] a few minutes ago started to propound a unanimous-consent request. He has left the floor. I should like to ask unanimous consent that the junior Senator from Louisiana now be allowed to offer his amendment to the amendment of the Senator from Utah.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I should like to ask a question about it. Does the Senator feel that the result could not be accomplished in an administrative way?

Mr. LONG. It has not been accomplished in an administrative way, I will answer the Senator. There have been such efforts; they have been made time and time again. The subject has been investigated time and again. Yet the same result has always occurred—that under the language used in the law, whether in terms of actual cost or reproduction cost or market value, someone has invariably obtained a loan in an amount in excess of the cost of the housing.

Mr. WHERRY. Yes; but does the Senator feel that the amendment will result in obtaining houses? That is what I am interested in. What does the Senator think about that?

Mr. LONG. Yes; the junior Senator from Louisiana is very confident that we can get the housing and can find plenty of contractors who would be completely satisfied to have an opportunity to make, let us say, a million dollars on building

a housing project and end up by owning the entire project without risking a nickel. The junior Senator from Louisiana believes we can find plenty of individuals to build those projects. In fact, he is very confident we will. We have had many cases where the loan obtained actually exceeds the estimated cost, where the Government is not guaranteeing 90 percent of the cost. For those cases their mortgage would not be reduced in any amount. But what we are trying to prevent is the kind of cases where someone succeeds in constructing housing projects and taking elements from cost that should be there, with the result that in the end the Government takes all the risk and the person who makes the profit never takes a risk in any stage of the game.

Mr. WHERRY. So far as I understand, the unanimous-consent request was that the amendment of the Senator from Louisiana now be made to the substitute. Is that correct?

The VICE PRESIDENT. That the Senator from Louisiana be permitted to offer it.

Mr. WHERRY. That he be permitted to offer it to the substitute.

Mr. SPARKMAN. Yes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The amendment offered by the junior Senator from Louisiana [Mr. LONG] to the so-called Bennett amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 8, of the Bennett amendment, after the words "exclusive of", it is proposed to insert "the profit of the prime contractor of";

On page 2, line 2, of the Bennett amendment, after the words "exclusive of" it is proposed to insert "the profit of the prime contractor of";

On page 3, line 14, of the Bennett amendment, after the words "exclusive of", it is proposed to insert "the profit of the price contractor of";

On the same page, line 19, of the Bennett amendment, after the words "exclusive of", it is proposed to insert "the profit of the prime contractor of."

The VICE PRESIDENT. The question is on agreeing to the so-called Long amendment to the Bennett substitute.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. Now the question is on the Bennett amendment, as amended.

The amendment, as amended, to the committee amendment, was agreed to.

Mr. SPARKMAN. Mr. President, I have at the desk three amendments. They are very brief and I hope they will not be controversial. I first call up my amendment lettered "H."

The VICE PRESIDENT. The Secretary will report the amendment.

The LEGISLATIVE CLERK. On page 81, line 7, it is proposed to insert before the word "housing", the words "any permanent" and strike out the words "shall be of permanent construction and" in lines 8 and 9 on said page 81.

Mr. SPARKMAN. Mr. President, this is a purely technical amendment. As a matter of fact, I would have handed it to the chairman to offer, but he was not on the floor at the particular time

when I proposed the amendment. It is purely technical.

Mr. MAYBANK. Mr. President, I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing the amendment offered by the Senator from Alabama [Mr. SPARKMAN] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I now offer my amendment lettered "I."

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 112, between lines 3 and 4, it is proposed to insert the following:

SEC. 613. Section 504 of the Housing Act of 1950 is amended by striking out "builder, veteran, or other purchaser" wherever it appears therein and inserting in lieu thereof the following: "builder or other seller, or the veteran or other purchaser."

Renumber succeeding sections accordingly.

Mr. SPARKMAN. Mr. President, this amendment is rather supplementary to the amendment which has just been agreed to, namely, the amendment sponsored by the Senator from Utah [Mr. BENNETT], the Senator from Louisiana [Mr. LONG], and the Senator from Illinois [Mr. DOUGLAS]. This amendment is rather supplementary to that one, in the sense that last year in the Housing Act we provided that in the case of any housing loan obtained under Government financing, either through the FHA or the VA, any mortgagee would have to certify that he had not charged the veteran any fees or other charges other than those which had been legally provided for. That provision applied only to new construction, and did not apply to the sale of existing houses or the resale of new houses.

This amendment would simply extend that provision to them, and would provide that the mortgagee of new houses built by the Government would have to certify that he had not charged the veteran any fee not provided by law.

Mr. MAYBANK. Mr. President, I accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Alabama [Mr. SPARKMAN] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. SPARKMAN. Mr. President, to the committee amendment I now offer my amendment J.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 79, line 3, it is proposed to strike out the quotation marks and insert after line 3 the following:

(g) In any case where an application for insurance under section 608 of this act was received by the Federal Housing Commissioner on or before March 1, 1950, and has not been rejected or committed upon, the mortgagee upon reapplication for insurance of a mortgage under this section 908 with respect to the same property shall receive credit for any application fees paid in connection with the prior application: *Provided*, That this subsection shall not

constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under this section.

Mr. SPARKMAN. Mr. President, this amendment would simply allow those who have applied under section 608 to transfer their application in appropriate cases to title IX housing without the payment of additional fees.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Alabama [Mr. SPARKMAN] to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The committee amendment is open to further amendment.

If there be no further amendment to be offered to the committee amendment, the question is on agreeing to the committee amendment as amended.

Mr. HUMPHREY. Mr. President, I wish to make a brief comment on the bill.

The VICE PRESIDENT. A Senator cannot be recognized in his own time; there must be a pending amendment or—

Mr. HUMPHREY. Mr. President, I ask the chairman of the committee whether I may have 5 minutes in which to make a brief comment.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. What is the present status of the bill?

The VICE PRESIDENT. The Chair was about to put the question on agreeing to the committee amendment as amended. After that question is decided, the Senator from South Carolina can yield time to the Senator from Minnesota.

Mr. MAYBANK. That is what I wish to do.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

Mr. MAYBANK. Mr. President, I now yield 5 or 10 minutes to the Senator from Minnesota.

Mr. WHERRY. Five minutes?

Mr. MAYBANK. I understand that half an hour is available on the question of the final passage of the bill.

The VICE PRESIDENT. On the question of the final passage of the bill, 1 hour is available, to be divided equally.

Mr. MAYBANK. Then I yield 5 minutes to the Senator from Minnesota, if that is agreeable to him.

Mr. HUMPHREY. That will be ample, Mr. President. I thank the Senator from South Carolina for yielding that time to me.

Mr. President, first of all, as one Member of the Senate, I wish to express my appreciation to the chairman of the committee for his diligence and his tireless efforts in getting a good bill in regard to defense housing reported by the Banking and Currency Committee. I think all of us owe a debt of gratitude also to the Senator from Alabama [Mr. SPARKMAN] for his efforts; and likewise we owe a debt of gratitude for the efforts

of the other Senators who have worked with him.

However, Mr. President, I think this bill is adequate testimony in regard to what happens when private interests make up their minds that at long last they are going to have their way in their relationships with the Federal Government. It is interesting to me to note the hue and cry which went up in the Eighty-first Congress and the hue and cry which is going up in this Congress about the welfare state, and about the intrusion of Government into all aspects of private enterprise. We have heard many speeches in regard to how private initiative is being destroyed by the heavy hand of the Government and in regard to the destruction of the moral fiber of the Republic because of Government subsidies. Yet, Mr. President, if I have ever seen a bill in which there is private subsidy and complete underpinning of an industry, this bill, as it thus affects the building industry, is it. If I have ever seen a bill which discriminates against the little man who wishes to build his own home, and in favor of the building construction industry, this is it. Under this measure, the FHA, in its operations, will not give to the little citizen who wishes to build his own home the same benefits as those which will be given to the building industry.

As has well been pointed out by the Senator from Louisiana [Mr. LONG] and the Senator from Illinois [Mr. DOUGLAS], section 608, as it relates to housing, has gone into the records as being one provision by the Government which has not simply been insurance, but has been insurance plus premium. It has been insurance plus a great premium, to those who have been able to get hold of it.

In the case of section 608, Housing, Mr. President, let me say that if ever there was something which constituted a scandal in the housing industry, that is it. It makes a mink coat look like a 10-cent-store toy. Under this proposal, we are going to go so far that the Federal Government does not insure more than 100 percent, in case of a loss, to a would-be investor who would not put a nickel of his own money into such operations. What a risk that is for capitalism on the march—at a snail's pace. This proposal involves no more risk to private investors than there is risk of freezing to death at the Equator.

The enactment of this measure will not result in the investment of capital for the good of the country or to enable private industry to operate for the good of the country. This measure, if enacted, will do nothing more than have the Government of the United States subsidize, underwrite, and support private contractors and prevent them from losing a dime.

Mr. President, I wish to get this speech into the RECORD at an early date, because already I can hear the speeches which will be made in which it will be charged that the Congress is wasting the money of the people by letting the Government go into the building business and the banking business.

Mr. President, how interesting it is that the very ones who want to get the Government out of the RFC are now the ones who want to make the Govern-

ment's hand a little heavier in respect to FHA operations. In other words, it depends on where the gravy is being spilled. I point out that in this case the gravy is being spilled—by means of this bill—aplenty.

Mr. President, this bill provides opportunity for land speculators to get in early. This bill provides an opportunity for the Government to engage in the provision of housing only if no one else is willing to build any housing in a particular area or place.

In view of the action proposed to be taken by way of the enactment of the pending bill, I wish to state what I believe the future holds in store. I desire to make quite clear at this point that I do not possess a crystal ball and that nowhere in the New Testament do we find a listing of any of the Humphreys as having prophetic vision. Nevertheless, I wish to prophesy now the effect this measure will have when it is enacted.

Of course, I realize that a great deal of very hard work has been required in preparing this measure, and I pay fitting tribute to those whose valiant efforts have been required in framing the provisions of the bill. In particular, I commend the chairman of the committee and his colleague, the Senator from Alabama [Mr. SPARKMAN], because I know what is in their hearts, and I know how hard they had to work to get even this kind of a bill reported from the committee to the Senate. In fact, in spite of my misgivings, I shall vote for the bill for we need defense housing desperately.

At the same time I wish to make it quite clear, so far as the junior Senator from Minnesota is concerned, that this is a matter of getting into the public treasury, not with a teaspoon but with a scoop shovel. It is an effort on the part of certain persons who have been adverse to socialism, who have worried about the New Deal and about a Fair Deal, to give one of the biggest raw deals to the American taxpayers in terms of insurance, as an insurance principle under the FHA, that we have had in housing legislation for a long time. But it is a little better than section 608. It is section 608 revised, slightly deodorized; but not much. It still smells. I want to make it crystal clear that the failure to include adequate funds in this bill and additional provisions for Government-constructed housing where it is needed in the protection of the public interest and the national security, is a vital weakness in the bill.

The VICE PRESIDENT. The Senator's time has expired.

Mr. HUMPHREY. May I request 2 or 3 minutes more, in order that I may conclude?

Mr. MAYBANK. I yield another 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. I merely want to be sure that, once this bill has been passed, and once the "gravy train" starts to move down the track of abundance and privileges, the tax gatherers will watch over the profits which will be made under the bill. I hope, by the way, that the FHA will follow the very prophetic warning which was given by the Senator from Illinois, that so long as we have investigationitis here, perhaps we could start another investigation. Perhaps we

could look into FHA. Perhaps we could find out whether FHA is an agency which is working in behalf of the average American citizen, the man who earns about \$3,000 to \$5,000 a year, or whether FHA is a contractor's holding company. I am not saying that it is, I merely say that the breezes from the Potomac are not always filled with the odor of cherry blossoms. We should look into it.

Let me now admonish those who are so strongly for this piece of legislation not to be moved by what happened only a few months ago to think that simply because certain things happened in the countryside last November, it can always happen that way. Mr. President, the hand may be overplayed. I say to Senators, watch out. After it has been made so completely obvious, after the glove is taken off and the mailed fist is put on, and a knocking starts on the door, somebody is apt to hear, somebody is apt to see, and this kind of legislation is that loudest about waste in Government.

Regarding the amendment proposed by my friend, the Senator from Louisiana [Mr. LONG], let us protect the public interest by law, not by administrative ruling, as suggested by the Senator from Nebraska [Mr. WHERRY]. Is it not interesting that whenever something is proposed which will protect the public interest, something which can be written into law, there are those who rise to say that we ought to take care of it administratively? I desire to pay my respects to the Senator from Louisiana for his vigilance in the protection of the public interest.

The VICE PRESIDENT. The Senator's time has again expired.

Mr. CAPEHART. Mr. President, will the Senator from Nebraska yield me a little more time, not to exceed 10 minutes?

Mr. WHERRY. I am glad to yield 10 minutes more to the distinguished Senator from Indiana.

Mr. CAPEHART. Mr. President, after listening to the able Senator from Minnesota [Mr. HUMPHREY], I am perfectly convinced that we have one of the finest bills ever to come before the Senate. I am further convinced that it is a great bill because the CIO is opposed to it, because the Real Estate Board is opposed to it, and because the able Senator from Minnesota is opposed to it—which in my mind cannot but make it an excellent bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. CAPEHART. I decline to yield. The VICE PRESIDENT. The Senator declines to yield.

Mr. HUMPHREY. I certainly wish to thank the Senator.

Mr. CAPEHART. Many of the arguments which the able Senator from Minnesota used a moment ago are taken from a bulletin which was handed to me by the lobbyists of the CIO outside the Senate door, and I presume that, after reading this bulletin, had I desired, I could have risen and made the same kind of speech which the able Senator from Minnesota made.

This bill, which the able Senator from Minnesota says is no good, is a good bill. There is nothing at all wrong with it, unless one is opposed, of course, to the entrance of the Federal Government into any sort of housing legislation. The committee did an excellent job, and I do not think it is in particularly good grace for a Senator, particularly one who knows nothing about the bill, to stand on the floor of the United States Senate and impugn the motives of the Senate and the motives and the integrity of some 13 Senators of the Senate Banking and Currency Committee.

The able Senator was talking about the Treasury of the United States. Why, Mr. President, there is very little money involved in this bill as compared to the billions of dollars which have been involved in the past. For example, the committee cut the authorization from \$3,000,000,000 to \$1,500,000,000. There is but \$50,000,000 in this bill for public facilities, another \$60,000,000 for so-called public housing, and but \$15,000,000 for prefabricated houses. How anyone, knowing the amount of money which has been appropriated by the Congress for housing in the past, over many years, and knowing the amounts carried in housing bills heretofore, can stand on the floor of the Senate and talk about how someone ran away with the United States Treasury, is more than I can understand.

Much was said about making a profit on the mortgages. The committee discussed that at great length. For the first time in the history of housing legislation, there was written into the bill a provision to put a stop to that sort of thing. I call attention to the fact that the able Senator from Illinois [Mr. DOUGLAS], the able Senator from Louisiana [Mr. LONG], and many of the Senators on our side of the aisle, discussed that at great length. It was the intention of the committee to make it impossible for any person to get more from his mortgage than the improvement actually cost. That was our intention.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. I shall yield in a moment. That was our intention. We find a Senator rising on the floor of the Senate of the United States to condemn a committee for taking such action, when it is the first time it has been done.

I, for one, dislike to see Senators who did not sit through a single hearing and know very little about the bill, having been handed a document by some lobbying organization, rising on the floor of the Senate and condemning the Senate Banking and Currency Committee and the Senate of the United States without any excuse whatsoever. That is exactly what has happened. I resent it; I think it is unfair, and I think it is uncalled for.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. The Senate Banking and Currency Committee was faced with the problem of trying to get some housing in which to domicile not only the boys who were called into the service, but also the bench workers in isolated areas where there is no housing.

The committee tried to do an honest and sincere job, and I think it succeeded. To be condemned by one who knows nothing about it is certainly unwarranted and uncalled for. Such a thing should not happen on the floor of the Senate.

I challenge any Senator to debate this bill point by point and to indicate wherein it is bad, or that it does not accomplish the things we want it to accomplish, in a fair, equitable manner, instead of making general assertions that the bill is all wrong, and that it will work in favor of certain classes in America. That was never the intention of the bill, and it was never the intention of the committee.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. It is very easy to make general statements—

The VICE PRESIDENT. The Senator from Indiana declines to yield.

Mr. CAPEHART. I say, Mr. President, it is very easy to make general statements, statements which are not specific. I could do it myself if I wanted to.

The VICE PRESIDENT. The time of the Senator from Indiana has expired.

Mr. WHERRY. Mr. President, I shall be glad to yield 3 minutes more to the Senator, if he cares for it.

Mr. CAPEHART. I do not know that I shall need 3 minutes more. Properly to answer the charges which have been made, one should go through the bill chapter by chapter and clause by clause. Before anyone makes a charge against it, he should know what he is talking about, should go through the bill from cover to cover, and point out that the bill does what he says it does, instead of making the statement that the bill is no good, and that it works to the advantage of the real-estate lobby or to the advantage of builders.

Such an amendment providing that no one can receive one penny more than the actual cost has never before been written into a housing bill. If this housing bill is what the able Senator from Minnesota says it is, then the housing bills which Congress has been passing for many years are certainly a hundred percent give-away programs. In past years I have not heard the able Senator condemning previous housing bills. I say this is a better bill for both the American people and the Government. Why anyone should want to say it is otherwise is more than I can understand. Some persons simply make such statements because the CIO handed them four or five sheets from which they got their information and inspiration.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. I concur in what the Senator from Indiana has stated. I recall how allocations on materials resulted in cutting back on copper for the REA and other uses. I should like to ask the Senator how long the committee held hearings on the bill.

Mr. CAPEHART. It held hearings for many days.

Mr. MAYBANK. It was 2 months, to be exact, was it not?

Mr. CAPEHART. I would say that was a correct statement.

Mr. MAYBANK. And it took four more weeks to write the final draft.

Mr. CAPEHART. That is correct. I have never seen 13 more conscientious and sincere men wanting to do a job for the American people than were the members of the committee.

Mr. MAYBANK. Certain organizations testified through their representatives. The chamber of commerce said the best thing to do was not to pass any bill at this time.

Mr. CAPEHART. The chamber of commerce wanted no legislation on the subject at this time. The real estate board was against title III.

Mr. MAYBANK. We did the best we could under the conditions existing in the country.

Mr. CAPEHART. We did the best we could, not only under the conditions existing in the country, but we did the proper and right thing. We reported the right kind of a bill under existing conditions, and it is limited to defense housing.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. THYE. Is it not true that if this bill had not been written it would have been necessary for the Government to control and actually manage cities in and about some of the defense areas?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. No one knows that better than I do. I was a member of the Appropriations Committee during World War II, and I saw what happened in communities in the State of Washington, in the Manhattan district, and in the State of Tennessee. The Senator from Minnesota is a member of the Atomic Energy Committee, and he knows that nothing has been done in those communities that could not have been prevented by a bill of this type. Persons speak of high-priced houses. Mr. Lillenthal justified houses which had cost \$35,000. I want to associate myself with the statement of the senior Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. THYE. This very question was studied in the Appropriations Committee. This bill provides for housing in areas of defense where there is not even a shingle available for shelter at the present time. The bill was written in the manner in which it was reported to the Senate in order that there should be living quarters for defense workers without the Government's building units under its control in every conceivable respect, including even the utilities.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Indiana. I deeply appreciate the very friendly references which the Senator from Indiana made to the Senator from Illinois. I think the Senator from Indiana [Mr. CAPEHART] and the Senator from Utah [Mr. BENNETT] deserve a great deal of the credit for the constructive

work which has been done in the effort to eliminate some of the abuses which attached themselves to section 608. But I am also afraid that the Senator from Indiana was a bit too hard on my good friend the junior Senator from Minnesota [Mr. HUMPHREY]. It is not certain that we have blocked all the gaps which caused section 608 to go wrong. We have made an honest effort to do so, but it is not certain that we have achieved our end. Furthermore, I think the junior Senator from Minnesota was anticipating a move to eliminate the public housing section and was pointing out the fact—

The VICE PRESIDENT. The time of the Senator has again expired.

Mr. DOUGLAS. May I finish the sentence?

Mr. CAPEHART. Yes.

Mr. DOUGLAS. The junior Senator from Minnesota was pointing out some of the possible results, and I do not think he deserved the harsh remarks directed at him by the Senator from Indiana.

Mr. CAPEHART. Mr. President, I think the able Senator from Illinois has let the cat out of the bag. He says the junior Senator from Minnesota thought that we were going to eliminate title III. We did not do it. I rather suspect that the speech of the able Senator from Minnesota was prepared before any action was taken on title III. I am mindful of the good work which the able Senator from Utah did on the bill. Whether or not we have done as good a job as could have been done on section 608, by eliminating the possibility of persons making a profit on the mortgages, a question which has been referred to, I wish to say again that this is the first time in the history of a housing bill when any effort has been made to accomplish that result. It is unfortunate that the Senator from Minnesota should be critical. I think it is uncalled for.

Mr. MAYBANK. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I rise in support of the bill. I have followed the FHA since the days of its inception as a major part of the Democratic Party's program. I can remember when in writing a mortgage the ratio of insurance to value was 80 percent. We sought to have houses erected so as to spread home ownership among the people of America. I voted for such legislation. I think that, instead of criticizing a program which is democratic in origin, and which has revolutionized the home-building business and made it possible for people in the low-income group to have a piece of America for homes in which they could live, we should try to continue a time-tested and proved program.

I was familiar with the defense-housing benefits of FHA during World War II. Under the 90-percent insurance provision, I saw the building of new towns and cities which today contain happy homes, owned by the workers who have invested their money in them. I venture to say foreclosures on such homes have not amounted to one-half of 1 percent. They have paid the Government a profit because of the insurance feature. We

provided defense housing in the vicinity of enormous aircraft plants and other installations at a cost of not a dime to the Government of the United States, but at a profit to it. Instead of putting up money to pay for the taxes and municipal expenses, as would have been necessary in the case of temporary housing built by the Government, we have collected the regular ad valorem taxes and financed to a large degree the community facilities. Because of the advance in prices, such homes today are worth perhaps twice the amount of the 90-percent mortgages which their owners, for the most part American workingmen, have placed upon them. Instead of becoming ghost settlements, as many men of little faith said would be the case, these cities are today thriving suburban communities, which stand as a credit to our faith in private industry, and the right of a man to have a chance to own his own home at low cost.

As I understand, in the pending bill provision is made not only for home ownership at 90 percent insurance, but also for rental properties at 90 percent insurance. It corrects a defect in the old law. Too large a percentage of homes were for sale and none for rent.

I believe that a man who goes forth and risks hundreds of thousands of dollars to create homes for America is entitled to a fair profit. I am glad to see that after careful study the committee is attempting to eliminate an unfair profit, namely, the receiving of more money on mortgages than the cost of the home. In looking at the clean-up, as we did in the Committee on Banking and Currency of the other body, when there were literally from fifty to one hundred million dollars' worth of public housing homes which had become nothing more than eye-sores, fit for nothing but wrecking or for giving away to the local communities, and comparing those homes with those for which we are providing in the pending bill, I think we of the Democratic Party should throw out our chests and say we are proud that we have helped to find a way which will make it possible for the small wage earner to own his own home on an easy payment plan, with a minimum down payment of 10 percent.

If we were building homes for the wealthy, the 10-percent down payment and 90-percent insurance features would not be important. They are important because we are trying to build homes for the low-income groups. There are thousands in the home-building industry who are trying to keep the costs down, so that more and more people can be put into low-cost houses which are built for home ownership. I hope that after the pending bill is passed the Committee on Banking and Currency of the House will continue to cooperate to provide, through private industry, the maximum number of homes that can possibly be built. I think it is highly important.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MAYBANK. I shall be glad to yield further time to the Senator.

Mr. MONRONEY. I ask that I may have 1 minute more.

Mr. MAYBANK. I yield 1 minute to the Senator from Oklahoma.

Mr. MONRONEY. In closing I emphasize that I believed it to be highly important to realize that the ultimate cost to the Government under the defense housing program will be less than if the Government were forced to build all of the defense housing. Even then we would still have the problem of the Government-owned temporary housing. I am proud to support the bill, and I congratulate the committee on bringing it to the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I am glad to yield.

Mr. WHERRY. Is it not a fact, as I assume to be so, if I heard the Senator's statement correctly, that the bill contains a provision for the construction of low priced housing for rent?

Mr. MONRONEY. Yes; and for sale.

Mr. WHERRY. Along with occupancy ownership; but the rental feature was not originally provided under title I of the bill.

Mr. MONRONEY. That is correct.

Mr. WHERRY. The Senator so interprets the language of the bill?

Mr. MONRONEY. Yes; the homes which are rented can later be sold.

Mr. WHERRY. I thank the Senator. What he says confirms what has been stated by several other Senators. An amendment which I had offered provided for what the Senator says is contained in the bill. I want that statement to be a part of the record.

Mr. MONRONEY. I think it is highly important to note that from the insurance provision in title VI and title II, instead of it costing the Government anything, we will have between \$260,000,000 and \$300,000,000 now in reserve, to take care of subsequent losses which may occur. I think it is the logical and practical way to solve a difficult problem. It must be borne in mind that contractors who last year were building houses anywhere they wanted to build them under GI loans on a 90-percent mortgage basis under the pending bill must build where Uncle Sam tells them they must build. They should be entitled to some consideration if they erect houses where houses are most needed.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MAYBANK. I yield 3 minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, I rise to support the bill, and I shall be glad to vote for it. The committee has done fine work on it. However, I wish to touch on one or two points.

I am sure no Senator believes more strongly than I in private enterprise. I have believed in it all my life, and I shall continue to believe in it. I am glad that the amendment offered by the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. BENNETT] has prevailed. I think it will hold in check undue profits, and prevent the mulcting of the Government.

There is one matter which concerns me and which I discussed on the floor of the Senate this morning. It relates to the inadequate provision for public

housing in situations in which it is impossible to secure the cooperation, at reasonable rental rates, of private builders. The Senator from Illinois has referred to the fact that only 4 percent of the money provided in the bill is to be used for public housing. It is less than 4 percent. It is a fraction over 3 percent.

I think a great many valuable defense workers will not be able to take employment in certain isolated districts because of inability to pay the rent which will be asked of them by private industry. I very much hope that the \$50,000,000 which is provided in the bill will be considered only as a pilot project, and that before long, as the need is clearly demonstrated, we will appropriate for public housing a substantially larger amount of money, possibly \$200,000,000, \$300,000,000, or \$400,000,000. I believe it is the only way that we can assure that the workers will be able to secure housing in isolated districts.

The VICE PRESIDENT. The Chair was mistaken a while ago when he thought the time was limited to 30 minutes on the bill. It seems to be 30 minutes on a side.

Mr. WHERRY. I yield to the Senator from Utah [Mr. BENNETT] whatever time he wishes.

Mr. BENNETT. Mr. President, I am coming close to the end of my maiden attempt to steer a bill on the Senate floor, or at least to have a part in steering a bill. I am sure that I have made many mistakes, but I was quite disturbed at some of the things said and implied by the Senator from Minnesota [Mr. HUMPHREY]. I was disturbed by the fact that he looked over on this side of the aisle, and after paying his respects to the chairman of the committee, the distinguished Senator from South Carolina [Mr. MAYBANK] and to the distinguished Senator from Alabama [Mr. SPARKMAN] and to the Senator from Louisiana [Mr. LONG], he implied that all the things that were bad in the bill were caused by Republicans, who were in the minority, when, as a matter of fact, the bill was reported unanimously. While I have not had much experience in this sort of thing, yet I feel that it was a completely bipartisan operation, in which every member of the committee acted as an individual and contributed his opinion and his point of view to the common result.

I am disturbed by the implication that since the bill is bad, in the mind of the Senator from Minnesota, we Republicans who make up the minority of the committee must bear the responsibility for its alleged evils. So I should like to pay my respects to the Senator from South Carolina, the Senator from Alabama, the Senator from Louisiana, and the other Democratic members of the committee, and say that I am very proud of the way they handled the bill and of the latitude which they gave us in making our contribution to what I consider to be a very successful bill.

I was also quite disturbed by the implication that this bill will not produce housing to rent for less than \$100 a month. I wonder if the Senator from Minnesota has read the testimony and

the information provided by the Housing Agency. Those people estimate that the bill will produce housing at rentals ranging from \$50 a month up to perhaps as high as \$100. They go back in their records to reveal that with respect to houses built under section 608, about which the Senator from Minnesota is so disturbed, only 3½ percent of the units rented for as high as \$125 a month, and 5 percent of the units rented for as little as \$50 a month.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. HUMPHREY. Will the Senator be kind enough to tell the Senate how many of the houses built under section 608 were family units, with two or three bedrooms, to accommodate a family, and not fancy apartment units of one room, with a pull-out bed?

Mr. BENNETT. Unfortunately I have not the complete figures on that subject.

Mr. HUMPHREY. Can the Senator tell the Senate what was estimated by the Equitable Life Insurance Co. to be the cost of housing for a two-bedroom unit?

Mr. BENNETT. I have not those figures.

Mr. HUMPHREY. The figures were before the committee.

Mr. BENNETT. I should like to read the figures given us. We are talking about section 908, not section 608 or 603. In 1949 the median average was \$85.56. However, the estimate of the committee is that a five-room house built under section 908 may rent for as low as \$58.50. It is doubted that any such units will reach the \$125 figure of which the Senator complained. I quote from the statement on estimated rentals:

In a row-house type of rental project, with a mortgage insured under section 908, the estimates show that the rents would range from about \$63 to \$82.50 per unit per month.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. HUMPHREY. For what sized unit? There is a great deal of difference between one room with a little drawer for a kitchen and a pull-down Murphy bed, and a house which a good American family deserves.

Mr. BENNETT. I am reminded that the figures which I have in my hand are median figures, averaging between 2 and 3 bedrooms.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. WHERRY. Is it not a fact that the language of the bill now provides that the Commissioner may, if he sees fit, permit low-cost housing to be built for rental as low as \$34 a month? Is not that what the Senator told me this afternoon?

Mr. BENNETT. That is correct. I wished to make this point partly in answer to the statement of the Senator from New York [Mr. LEHMAN]. As I understood the Senator from New York, he implied, or I got the impression from what he said, that he believes that the rents under this provision will be under the control of the operator who builds the project. The fact is, of course, that

the rent schedule will be set by the FHA Administrator.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. SPARKMAN. I have no desire to enter into an argument on this question. I think we are all interested in getting adequate housing at the lowest possible price for everybody. However, for the sake of the RECORD, in order that it may be clear, I have some figures before me which I should like to read into the RECORD:

While the statements with respect to some of the high rental may be and probably are correct for the small extreme portion of the operations which took place under section 608 of the National Housing Act (since expired), they are not representative of the total business transacted under section 608 during 1947, 1948, and 1949. Neither are the figures in accord with the estimates for the proposed new title IX of the National Housing Act set forth in the testimony of the HHFA before the Senate Banking and Currency Committee on S. 349. In all the rental-housing projects insured under section 608 from the beginning of 1947 through 1949 the average-size apartment contained two bedrooms and yet only 3.5 percent of all these units rented at \$125 or more per month. In fact, the medium monthly rentals varied from \$82.49 for the average unit containing 4 rooms in 1949 to \$87.56 for the average unit containing 4.7 rooms in 1948 according to the annual report of the Federal Housing Administration for 1949. As compared with the 3.5 percent of units which rented for \$125 or more, 5 percent of the units with insured mortgages rented for less than \$50 per unit per month.

The estimated monthly rentals achievable under the proposed new section 903 (which would be added to the National Housing Act by S. 349) vary from \$58.50 for a two-bedroom house to about \$101 for a four-bedroom house valued at \$12,400 in a high-cost area and containing about 1,130 square feet of floor area. These rentals do not contain allowances for heat, utilities, and certain other services for which the occu-

pant must pay. The addition of an allowance of \$24.50 for the four-bedroom house would typically cover the cost of heating, electricity for lighting and operating equipment, the water, gas for cooking, garbage and trash removal. The gross rent that would then be achieved for this four-bedroom house which probably contains a minimum of seven rooms, would be in the neighborhood of \$125 in a high-cost area. This extreme case compares with the quoted rent of \$135, which, in view of Mr. Goodman's testimony, is assumed to apply to a two-bedroom unit or one containing from 4 to 4½ rooms. If in the southernmost part of the country, where expensive heating equipment can be omitted, it is possible to build a two-bedroom, five-room house for \$7,000, the shelter rent for this type of house would be in the neighborhood of \$58.50 per month under the terms of S. 349. If the cost of heating the house could be eliminated from the estimate of utilities, heat and service expenses, normally about \$11.50 per month would be added to the \$58.50 shelter rent to obtain a gross rent or housing expense of about \$70 per month for a unit which is larger than that used in connection with the quotation of a rental of \$135.

The estimates submitted to the Senate Banking and Currency Committee in testimony on S. 349 by the HHFA indicate that in an apartment type project, with the mortgage insured under section 908, the rent would range from about \$73.50 per unit per month for a unit containing less than four rooms in a low cost area to about \$95 per month for a unit containing four or more rooms in an area designated by the Federal Housing Commissioner as a high-cost area. In a row-house type of rental project, with a mortgage insured under section 908, the estimates show that the rents would range from about \$63 to \$82.50 per unit per month for approximately the same size units as in the apartment type project. The explanation of the estimates in the testimony indicates that for the higher rent rental units the maximum valuation permissible under the bill have been used and that the operating expenses and utility costs included therein are based upon experience which is near the midpoint in the range of operating expense as indicated by the operating records

of projects having insured mortgages. Thus, the estimates may be slightly below the actual rents in areas with the highest operating costs, but in the case of the higher rentals are very close to the maximum that would result under the proposed bill.

Reference should also be made to Senate Report 189, the report on S. 349 made by the Committee on Banking and Currency. Page 28 of that report indicates that additional mortgage amounts for additional bedrooms will be allowed only where the house meets sound standards as a three- or four-bedroom house, and would not be allowed where a third or four bedroom is merely added to a house which is designed basically as a two-bedroom house. Similarly, as indicated at page 29 of the committee report, the authority granted to the Federal Housing Commissioner to increase section 903 and 908 mortgage limits for high-cost areas is to be exercised only in selected areas where made absolutely necessary and increases may be only in amounts which are necessary. The high-cost area exception would not be made generally applicable to defense areas.

Finally, reference should be made to the explanation at page 29 of the committee report of the "Major differences between the proposed new FHA program and the old FHA title VI program." It is clear that the differences there explained will act as an anti-inflationary device with respect to cost and rental levels under the new FHA program which would be authorized by S. 349.

The VICE PRESIDENT. The time of the Senator from Utah has expired.

Mr. BENNETT. Mr. President, may I have another minute?

Mr. WHERRY. I yield an additional minute to the Senator from Utah.

Mr. BENNETT. Mr. President, I should like to conclude by asking permission to place in the RECORD pages 376, 377, and 378 of the committee hearings, which contain complete charts of the expected rentals to be required under the bill.

There being no objection, the charts were ordered to be printed in the RECORD as follows:

S. 349 AND H. R. 1272—PROPOSED SEC. 903—PRIVATELY FINANCED DEFENSE HOUSING

Illustrative examples of monthly shelter cost for tenant-occupied and owner-occupied single-family houses

	\$7,000 value		\$8,000 value		\$9,000 value		\$10,000 value		\$11,000 value	
Maximum mortgage.....	\$6,300		\$7,200		\$8,100		\$9,000		\$9,900	
Equity.....	700		800		900		1,000		1,100	
	Rental occupancy	Owner occupancy	Rental occupancy	Owner occupancy	Rental occupancy	Owner occupancy	Rental occupancy	Owner occupancy	Rental occupancy	Owner occupancy
Scheduled rent or cost to owner.....	\$58.46	\$49.01	\$67.13	\$56.45	\$75.48	\$63.65	\$84.51	\$71.18	\$93.42	\$78.60
Vacancy and rent loss (5 percent).....	2.92		3.36		3.77		4.23		4.67	
Effective gross revenue.....	55.54	49.01	63.77	56.45	71.71	63.65	80.28	71.18	88.75	78.60
Operating expenses and taxes:										
Management (5 percent).....	2.78		3.19		3.59		4.01		4.44	
Repairs, reserve for replacement ¹	7.50	5.00	8.10	5.40	8.59	5.73	9.90	6.60	11.25	7.50
Real estate taxes ²	5.76	5.76	7.35	7.35	8.75	8.75	9.95	9.95	11.00	11.00
Hazard insurance ³	1.58	1.58	1.80	1.80	2.03	2.03	2.25	2.25	2.48	2.48
Total operating expenses.....	17.62	12.34	20.44	14.55	22.96	16.51	26.11	18.80	29.17	20.98
Net income after operating expense ⁴	37.92	36.67	43.33	41.90	48.75	47.14	54.17	52.38	59.58	57.62
Debt service: 4¼ percent interest, 25-year amortization, and ½ percent mortgage insurance premium.....	36.67	36.67	41.90	41.90	47.14	47.14	52.38	52.38	57.62	57.62
Net income after debt service.....	1.25		1.43		1.61		1.79		1.96	

¹ Based on FHA experience for owner-occupied homes, the cost of repairs and reserve for replacements is figured at 8 cents a square foot per year. For rental houses an estimate of 12 cents per square foot per year was considered reasonable.

² Real estate tax estimates are based on actual taxes paid in 1949 on new single-family houses with mortgages insured under sec. 203 of the National Housing Act.

³ Hazard insurance is figured at 0.3 percent a year on the mortgage amount.

⁴ Net income after operating expense is figured at 6.5 percent a year on the value of the property.

NOTE.—It was assumed that the \$7,000, \$8,000, and \$9,000 houses contained 2 bedrooms; the \$10,000 house 3 bedrooms, and the \$11,000 house 4 bedrooms.

S. 349—PROPOSED SEC. 908—PRIVATELY FINANCED DEFENSE HOUSING

Illustrative examples of average monthly rentals for apartments and row houses in rental projects with different average mortgage amounts per dwelling unit

Mortgage amount. Owner's equity.....	\$7,000 value		\$8,000 value		\$9,000 value	
	\$6,300 700		\$7,200 800		\$8,100 900	
	Apartment, walk-up type ¹	Row-house type ²	Apartment, walk-up type ¹	Row-house type ²	Apartment, walk-up type ¹	Row-house type ²
Scheduled rent.....	\$73.52	\$62.69	\$79.87	\$69.17	\$89.40	\$77.24
Vacancy and rent loss (7 percent).....	5.14	4.39	5.59	4.84	6.25	5.90
Effective gross income.....	68.38	58.30	74.28	64.33	83.15	71.84
Operating expenses: ³						
Renting and administrative.....	3.76	3.13	4.08	3.53	4.47	3.95
Maintenance and replacements.....	8.93	8.58	9.07	8.71	9.73	9.33
Real-estate taxes.....	6.47	6.47	6.47	6.47	7.25	7.25
Hazard insurance.....	1.62	1.62	1.62	1.62	1.73	1.73
Social security and miscellaneous taxes.....	.34	.34	.34	.34	.36	.36
Operating expense, including heat, water, janitor service, etc.....	9.34	.58	9.37	.67	10.86	.83
Operating expense, total.....	30.46	20.38	30.95	21.00	34.40	23.09
Net income after operating expenses.....	37.92	37.92	43.33	43.33	48.75	48.75
Debt service: 4 percent interest, 32 years 7 months, and mortgage-insurance premium.....	31.50	31.50	36.00	36.00	40.50	40.50
Net income after debt service.....	6.42	6.42	7.33	7.33	8.25	8.25

¹ Walk-up-apartment type usually furnishes heat, hot and cold water, light of public space, janitor service, and grounds maintenance to the tenant.

² Row-house type usually does not furnish heat, janitor services, etc., to the tenant.

³ Based on actual operations of VEH, sec. 608, projects.

**S. 349 AND H. R. 1272—PROPOSED SEC. 202—
FEDERALLY FINANCED DEFENSE HOUSING**
*Illustrative examples of monthly shelter rents
for single-family houses ¹*

Cost, interest rate, and term	Scheduled shelter rent	Occupancy and rent loss ²	Effective gross revenue	Operating ex- pense and real- estate taxes ³	Debt service, in- terest, and amortization ⁴
\$7,000 cost:					
2½ percent:					
33 years.....	\$45.01	1.35	\$43.66	\$17.62	\$26.04
40 years.....	41.98	1.26	40.72	17.62	23.10
3 percent:					
33 years.....	46.96	1.41	45.55	17.62	27.93
40 years.....	44.00	1.32	42.68	17.62	25.06
\$8,000 cost:					
2½ percent:					
33 years.....	51.75	1.55	50.20	20.44	29.76
40 years.....	48.29	1.45	46.84	20.44	26.40
3 percent:					
33 years.....	53.98	1.62	52.36	20.44	31.92
40 years.....	50.60	1.52	49.08	20.44	28.64
\$9,000 cost:					
2½ percent:					
33 years.....	58.19	1.75	56.44	22.96	33.48
40 years.....	54.29	1.63	52.66	22.96	29.70
3 percent:					
33 years.....	60.69	1.82	58.87	22.96	35.91
40 years.....	56.89	1.71	55.18	22.96	32.22
\$10,000 cost:					
2½ percent:					
33 years.....	65.27	1.96	63.31	26.11	37.20
40 years.....	60.94	1.83	59.11	26.11	33.00
3 percent:					
33 years.....	68.05	2.04	66.01	26.11	39.90
40 years.....	63.82	1.91	61.91	26.11	35.80
\$11,000 cost:					
2½ percent:					
33 years.....	72.26	2.17	70.09	29.17	40.92
40 years.....	67.49	2.02	65.47	29.17	36.30
3 percent:					
33 years.....	75.32	2.26	73.06	29.17	43.89
40 years.....	70.67	2.12	68.55	29.17	39.38

¹ Estimates of rents based upon the assumption that the amount of funds required to construct the units would be amortized over the indicated periods and interest at the indicated rates would be paid on the unamortized balance of the investment.

² Vacancy reserve of 3 percent used in view of the very tight rental markets where this housing would be constructed, and low rental rates.

³ Operating expenses and real-estate taxes used in these illustrative examples are the same as those estimated for operations as projects of groups of single-family houses built with mortgages insured under proposed sec. 903, title IX, of the National Housing Act (for detail, refer to accompanying table on S. 349—proposed sec. 903). This assumption is based upon the emphasis placed upon the building of permanent units which may be sold for individual-owner occupancy at the close of the emergency.

⁴ Interest and principal on a level annuity basis on the indicated cost, at the interest rate and for the term of years specified.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill (S. 349) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Defense Housing and Community Facilities and Services Act of 1951."

**TITLE I—CRITICAL DEFENSE HOUSING AREAS,
PROCEDURES FOR EXERCISE OF AUTHORITY
AND EXPIRATION DATE**

SEC. 101. (a) Notwithstanding any other provisions of this act, the authority contained in titles II, III, or IV of this act shall not be exercised in any area unless the President shall have determined that such area is a critical defense housing area.

(b) No area shall be determined to be a critical defense housing area pursuant to this section unless the President finds that in such area the following conditions exist:

(1) a new defense plant or installation has been or is to be provided, or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded;

(2) substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation; and

(3) a substantial shortage of housing required for such defense workers or military personnel exists or impends which impedes or threatens to impede activities at such defense plant or installation, or that community facilities or services required for such defense workers or military personnel are not available or are insufficient, or both, as the case may be.

SEC. 102. In order to assure that private enterprise shall be afforded full opportunity to provide the defense housing needed wherever possible, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) first, the number of permanent dwelling units (including information as to types, rentals, and general locations) needed for defense workers and military personnel in such critical defense housing area shall be publicly announced by the Housing and Home Finance Administrator;

(b) second, residential credit restrictions under the Defense Production Act of 1950

shall be relaxed in such manner and to such extent as the President determines to be appropriate and necessary to obtain the production of housing needed in such area for defense workers or military personnel;

(c) third, the mortgage insurance aids provided under title II of this act shall be made available to obtain the production of housing needed in such area for defense workers or military personnel; and

(d) fourth, no permanent housing shall be constructed by the Federal Government under the provisions of title III hereof except to the extent that private builders or eligible mortgagees have not, within a period of not less than 90 days (as the Housing and Home Finance Administrator shall specify) following public announcement of the availability of such mortgage insurance aids under title II of this act, indicated through bona fide applications (which are eligible for approval) for exceptions from such residential credit restrictions or for mortgage insurance or guaranty that they will provide the housing determined to be needed in such area for defense workers and military personnel and publicly announced as provided by subsection (a) of this section.

SEC. 103. In order to assure that community facilities or services required in connection with national defense activities shall, wherever possible, be provided by the appropriate local agencies with local funds, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) no loan shall be made pursuant to title III of this act for the provision of community facilities or equipment therefor required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such facilities or equipment could not otherwise be provided when needed;

(b) no grant or other payment shall be made pursuant to title III of this act for the provision, or for the operation and maintenance, of community facilities or equipment therefor, or for the provision of community services, required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such community facilities or services cannot otherwise be provided when needed, or operated and maintained, as the

case may be, without the imposition of an increased excessive tax burden or an unusual or excessive increase in the debt limit of the appropriate local agency; and

(c) no community facilities or services shall be provided, and no community facilities shall be maintained and operated, by the United States directly except where the appropriate local agency is demonstrably unable to provide such facilities and services, or to maintain or operate such community facilities and services adequate with its own personnel, with loans, grants, or payments authorized to be made pursuant to title III hereof.

For the purposes of this section, the term "chief executive officer of the appropriate political subdivision" shall mean appropriate principal executive officer or governing body having primary responsibility with respect to the community facility or service involved.

Sec. 104. After June 30, 1953 (a), no mortgage may be insured under title IX of the National Housing Act, as amended (except (1), pursuant to a commitment to insure issued on or before such date, or (ii) a mortgage given to refinance an existing mortgage insured under that title and which does not exceed the original principal amount and unexpired term of such existing mortgage), (b) no agreement may be made to extend assistance for the provision of community facilities or services under title III of this act, and no construction of housing or community facilities by the Housing and Home Finance Administrator may be begun under such title, (c) no land may be acquired by the Housing and Home Finance Administrator under title IV of this act, and (d) no loan may be made or obligations purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948, as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligations held under such section by said Administrator on June 30, 1953).

TITLE II—MORTGAGE INSURANCE FOR DEFENSE HOUSING

Sec. 201. The National Housing Act, as amended, is amended by the addition of the following title at the end thereof:

"TITLE IX—NATIONAL DEFENSE HOUSING INSURANCE

"Sec. 901. As used in this title, the terms 'mortgage', 'first mortgage', 'mortgagee', 'mortgagor', 'maturity date', and 'State' shall have the same meaning as in section 201 of this Act.

"Sec. 902. There is hereby created a National Defense Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title, and mortgages insured under this title shall be known and referred to as 'national defense housing insured mortgages'. The Commissioner is hereby authorized and directed to transfer to such fund the sum of \$10,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this act. General expenses of operation of the Federal Housing Administration under this title may be charged to the National Defense Housing Insurance Fund: *Provided*, That no moneys in said funds shall be expended for administrative expenses of the Federal Housing Administration under this title except pursuant to such specific authorization therefor as may hereafter be enacted by the Congress.

"Sec. 903. (a) This title is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act in order to assist in providing adequate housing in areas which the President, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951, shall have determined to be critical defense housing areas. The Com-

missioner is authorized, upon application by the mortgagee, to insure under this section or section 908 as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided and upon such terms as the Commissioner may prescribe to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the property covered by the mortgage is in an area which the President, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951, shall have determined to be a critical defense housing area, and that the total number of dwelling units in properties covered by mortgages insured under this title in any such area does not exceed the number authorized by the Housing and Home Finance Administrator from time to time as needed in such area for defense purposes and to be insured pursuant to this title: *Provided further*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed such sum as may be authorized by the President from time to time for the purposes of this title pursuant to his authority under section 217 hereof: *Provided further*, That the Commissioner shall have power to require properties covered by mortgages insured under this title to be held for rental for such periods of time and at such rentals or other charges as he may prescribe; and, with respect to such properties being held for rental, (1) to require that the property be held by a mortgagor approved by him, and (2) to prescribe such requirements as he deems to be reasonable governing the method of operation and prohibiting or restricting sales of such properties or interests therein or agreements relating to such sales: *And provided further*, That no mortgage shall be insured under this title unless the mortgagor certifies under oath that in selecting tenants for any property covered by the mortgage he will not discriminate against any family by reason of the fact that there are children in the family, and that he will not sell the property while the insurance is in effect unless the purchaser so certifies, such certification to be filed with the Commissioner. Violation of any such certification shall be a misdemeanor punishable by a fine of not to exceed \$500.

"(b) To be eligible for insurance under this section a mortgage shall—

"(1) have been made to, and be held by, a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than two families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction, the construction of which is begun after the date of enactment of this title. The principal obligation of such mortgage shall not, however, exceed \$8,100 if such dwelling is designed for a single-family residence, or \$15,000 if such dwelling is designed for a two-family residence except that the Commissioner may by regulation increase these amounts to not to exceed \$9,000 and \$16,000, respectively, in any geographical area where he finds that cost levels so require: *Provided*, That if the Commissioner finds that it is not feasible within the aforesaid dollar amount limitations to construct dwellings containing three or four bedrooms per family unit without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitations by not exceeding \$1,080 for each additional bedroom (as determined by the Commissioner) in excess of

two contained in such family unit if he finds that such unit meets sound standards of livability as a three-bedroom or a four-bedroom unit, as the case may be;

"(3) have a maturity satisfactory to the Commissioner but not to exceed twenty-five years from the date of the insurance of the mortgage;

"(4) contain complete amortization provisions satisfactory to the Commissioner;

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4½ percent per annum on the amount of the principal obligation outstanding at any time;

"(6) provide, in a manner satisfactory to the Commissioner, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as herein provided) to amortization of the principal of the mortgage; and

"(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe.

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall not be less than an amount equivalent to one-half of 1 percent per annum nor more than an amount equivalent to 1½ percent per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash or in debentures issued by the Commissioner under this title at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds upon the presentation of a mortgage for insurance and the tender of the initial premium charge or charges so required that the mortgage complies with the provisions of this title, such mortgage may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe; but no mortgage shall be accepted for insurance under this title unless the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk in view of the needs of national defense. In the event that the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Commissioner is further authorized in his discretion to require the payment by the mortgagee of an adjusted premium charge in such amount as the Commissioner determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this title until such maturity date; and in the event that the principal obligation is paid in full as herein set forth the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

"(d) Notwithstanding any other provisions of this or any other act, except provisions of law enacted hereafter expressly referring to this paragraph (d), the Commissioner, with the approval of the Housing and Home Finance Administrator, is further authorized to prescribe such procedures as are necessary to secure to persons engaged or to be engaged in national defense activities preference or priority of opportunity to purchase

or rent properties, or interests therein, covered by mortgages insured under this title.

"(e) With respect to any mortgage insured under this section, the mortgagor shall agree (1) to certify under oath, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost of said physical improvements (exclusive of the profit of the prime contractor of offsite public utilities and streets and organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost of said physical improvements (exclusive of the profit of the prime contractor of offsite public utilities and streets and organization and legal expenses), as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. Said mortgagor shall require, by contract with each principal contractor, that said contractor will submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, records of his actual costs, expenses, and charges, and that said contractor shall submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, all invoices from subcontractors and architects, and records of actual disbursements to said subcontractors and architects. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce the same by the amount of all kick-backs, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.

"(f) Any contract of insurance heretofore or hereafter executed by the Commissioner under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

"Sec. 904. (a) In any case in which the mortgagee under a mortgage insured under section 903 shall have foreclosed and taken possession of the mortgaged property, in accordance with regulations of, and within a period to be determined by, the Commissioner, or shall, with the consent of the Commissioner, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon (1) the prompt conveyance to the Commissioner of title to the property which meets the requirements of rules and regulations of the Commissioner in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations; and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Commissioner. Upon such conveyance and assignment the obligation of the mortgagee to pay the premium charges for insurance shall cease and the Commissioner shall, subject to the cash adjustment hereinafter provided, issue to the mortgagee debentures having a total face value equal to the value of the mortgage and a certificate of claim, as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Commissioner, by adding to the amount of the original principal obligation of the

mortgage which was unpaid on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, the amount of all payments which have been made by the mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, special assessments which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance of the mortgaged property, and any mortgage insurance premiums paid after either of such dates and by deducting from such total amount any amount received on account of the mortgage after either of such dates and any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates: *Provided*, That with respect to mortgages which are foreclosed before there shall have been paid on account of the principal obligation of the mortgage a sum equal to 10 per centum of the appraised value of the property as of the date the mortgage was accepted for insurance, there may be included in the debentures issued by the Commissioner, on account of the cost of foreclosure (or of acquiring the property by other means) actually paid by the mortgagee and approved by the Commissioner an amount—

"(1) not in excess of 2 percent of the unpaid principal of the mortgage as of the date of the institution of foreclosure proceedings and not in excess of \$75; or

"(2) not in excess of two-thirds of such cost, whichever is the greater: *And provided further*, That with respect to mortgages to which the provisions of sections 302 and 306 of the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, apply and which are insured under section 903, and subject to such regulations and conditions as the Commissioner may prescribe, there shall be included in the debentures an amount which the Commissioner finds to be sufficient to compensate the mortgagee for any loss which it may have sustained on account of interest on debentures and the payment of insurance premiums by reason of its having postponed the institution of foreclosure proceedings or the acquisition of the property by other means during any part or all of the period of such military service and 3 months thereafter.

"(b) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"(c) Debentures issued under this title shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the amount of debentures to which the mortgagee is entitled under this section or section 908 of this act and the aggregate face value of the debentures issued, not to exceed \$50, shall be adjusted by the payment of cash by the Commissioner to the mortgagee from the National Defense Housing Insurance Fund.

"(d) The debentures issued under this section to any mortgagee shall be executed in the name of the National Defense Housing Insurance Fund as obligor, shall be signed by the Commissioner by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, and shall bear interest from such date at a rate determined by the Commissioner, with the

approval of the Secretary of the Treasury, at the time the mortgage was accepted for insurance, but not to exceed 3 percent per annum, payable semiannually on the 1st day of January and the 1st day of July of each year. Such debentures shall mature 10 years after the date thereof. Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, or gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States, or by the District of Columbia, or by any State, county, municipality, or local taxing authority, and shall be paid out of the National Defense Housing Insurance Fund, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event that the National Defense Housing Insurance Fund fails to pay upon demand, when due, the principal or interest on any debentures issued under this title, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

"(e) The certificate of claim issued by the Commissioner to any mortgagee under this section shall be for an amount determined in accordance with, and shall contain provisions and shall be paid in accordance with, the provisions of section 204 (e) and section 204 (f) of this act which are applicable to mortgages insured under section 207, except that the reference in section 204 (f) to 'the Housing Insurance Fund' shall be deemed for the purposes of this section to be a reference to the National Defense Housing Insurance Fund.

"(f) Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, the Commissioner shall have power to deal with, complete, rent, renovate, modernize, insure, make contracts or establish suitable agencies for the management of, or sell for cash or credit, in his discretion, any properties conveyed to him in exchange for debentures and certificates of claim as provided in this section; and, notwithstanding any other provision of law, the Commissioner shall also have power to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgages to the Commissioner as provided in this title: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed \$1,000. The power to convey and to execute in the name of the Commissioner deeds of conveyances, deeds of release, assignments, and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Commissioner pursuant to the provisions of this act, may be exercised by the Commissioner or by any Assistant Commissioner appointed by him, without the execution of any express delegation of power or power of attorney: *Provided*, That nothing in this subsection shall be construed to prevent the Commissioner from delegating such power by order or by power of attorney in his discretion, to any officer, agent, or employee he may appoint.

"(g) No mortgagee or mortgagor shall have, and no certificate of claim shall be construed to give to any mortgagee or mortgagor, any right or interest in any property conveyed to the Commissioner or in any claim assigned to him; nor shall the Commissioner owe any duty to any mortgagee or mortgagor with respect to the handling or disposal of any

such property or the collection of any such claim.

"SEC. 905. (a) Moneys in the National Defense Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this title shall be deposited with the Treasurer of the United States to the credit of the National Defense Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(b) Premium charges, adjusted premium charges, and appraisal and other fees, received on account of the insurance of any mortgage insured under this title, the receipts derived from any such mortgage or claim assigned to the Commissioner and from any property acquired by the Commissioner, and all earnings on the assets of the National Defense Housing Insurance Fund, shall be credited to the National Defense Housing Insurance Fund. The principal of and interest paid and to be paid on debentures issued in exchange for any mortgage or property insured under this title, cash adjustments, and expenses incurred in the handling of such mortgages or property and in the foreclosure and collection of mortgages and claims assigned to the Commissioner under this title, shall be charged to the National Defense Housing Insurance Fund.

"SEC. 906. Nothing in this title shall be construed to exempt any real property acquired and held by the Commissioner under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

"SEC. 907. The Commissioner is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title.

"SEC. 908. (a) In addition to mortgages insured under section 903 of this title, the Commissioner is authorized to insure mortgages as defined in section 901 of this title (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided.

"(b) To be eligible for insurance under this section a mortgage shall meet the following conditions:

"(1) The mortgaged property shall be held by a mortgagor approved by the Commissioner. The Commissioner may, in his discretion, require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation. The Commissioner may make such contracts with, and acquire for not to exceed \$100 stock or interest in any such mortgagor, as the Commissioner may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the National Defense Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount—

"(A) not to exceed \$5,000,000; and

"(B) not to exceed 90 percent of the amount which the Commissioner estimates will be the value of the property or project when the proposed improvements are completed: *Provided*, That such mortgage shall not in any event exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of off-site

public utilities and streets and organization and legal expenses; and

"(C) not to exceed \$8,100 per family unit (or \$7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) for such part of such property or project as may be attributable to dwelling use: *Provided*, That the Commissioner may by regulation increase such dollar amount limitations by not exceeding \$900 in any geographical area where he finds that cost levels so require.

"(3) The mortgagor shall agree (i) to certify under oath, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost of said physical improvements (exclusive of the profit of the prime contractor of off-site public utilities and streets and organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost of said physical improvements (exclusive of the profit of the prime contractor of off-site public utilities and streets and organization and legal expenses), as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. Said mortgagor shall require, by contract with each principal contractor, that said contractor will submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, records of his actual costs, expenses, and charges, and that said contractor shall further submit for inspection by the Commissioner, and keep available for a period of 2 years after date of said contract, all invoices from subcontractors and architects, and records of actual disbursements to said subcontractors and architects. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce same by the amount of any kickbacks, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.

"The mortgage shall provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

"(c) The mortgagee shall be entitled to receive debentures in connection with mortgages insured under this section in the amount and under the conditions specified in subsection (g) of section 207 of this act, and the references in said subsection (g) to the cash adjustment provided for in subsection (j) of section 207 and to the certificate of claim provided for in subsection (h) of section 207 shall be deemed to refer respectively to the cash adjustment provided for in subsection (c) of section 904 of this act and to the certificate of claim provided for in subsection (d) of this section.

"(d) The certificate of claim issued by the Commissioner to any mortgagee under this section shall be for an amount determined in accordance with, and shall contain provisions and shall be paid in accordance with, the provisions of section 207 (h) of this act, except that the reference in section 207 (h) to 'the Housing Insurance Fund' shall be

deemed for the purposes of this section to be a reference to the National Defense Housing Insurance Fund.

"(e) Debentures issued under this section shall be issued in accordance with the provisions of section 904 (c) and (d) except that such debentures shall be dated as of the date of default as determined in subsection (c) of this section, and shall bear interest from such date.

"(f) The provisions of section 207 (k) and section 207 (l) of this act shall be applicable to mortgages insured under this section and to property acquired by the Commissioner hereunder, except that as applied to such mortgages and property (1) all references in such sections 207 (k) and 207 (l) to the 'Housing Fund' shall be construed to refer to the National Defense Housing Insurance Fund, and (2) the reference therein to 'subsection (g)' shall be construed to refer to subsection (c) of this section.

"(g) In any case where an application for insurance under section 608 of this act was received by the Federal Housing Commissioner on or before March 1, 1950, and has not been rejected or committed upon, the mortgagee upon reapplication for insurance of a mortgage under this section 908 with respect to the same property shall receive credit for any application fees paid in connection with the prior application: *Provided*, That this subsection shall not constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under this section."

SEC. 202. Sections 1 and 5 of the National Housing Act, as amended, are further amended by striking out the words "titles II, III, VI, VII, and VIII" each time they appear and inserting in lieu thereof the words "titles II, III, VI, VII, VIII, and IX."

SEC. 203. Section 212 (a) of said act, as amended, is hereby amended by deleting the words "or under title VIII, a mortgage or investment" and by inserting in lieu thereof the words "or under title VIII, or under section 908 of title IX, a mortgage or investment."

SEC. 204. Section 215 of said act, as amended, is hereby amended by deleting the words "or title VIII" and inserting in lieu thereof the words "title VIII, or title IX."

SEC. 205. Section 301 (a) of said act, as amended, is hereby amended by striking out of paragraph (1) the words "or section 8 of title I of" and inserting in lieu thereof the words "section 8 of title I, or title IX of."

SEC. 206. Section 608 of said act, as amended, is further amended by striking out paragraph (g) thereof and inserting in lieu thereof the following:

"(g) The Commissioner shall also have power to insure under this title, title I, title II, title VIII, or title IX any mortgage executed in connection with the sale by him of any property acquired under any of such titles without regard to limitations upon eligibility, time, or aggregate amount contained therein."

SEC. 207. Section 24 of the Federal Reserve Act, as amended, is hereby amended by striking out of the third sentence "or section 8 of title I" and inserting in lieu thereof the words "section 8 of title I, or title IX."

SEC. 208. Section 10 of the Federal Home Loan Bank Act, as amended, is further amended by striking out of subsection (a) (1) the words "or title VIII" and inserting in lieu thereof the words "title VIII, or title IX."

TITLE III—PROVISION OF DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES

SEC. 301. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to provide permanent housing in isolated or relatively isolated areas (subject to the provisions of section 101 hereof), or to provide temporary

housing, needed for defense workers or military personnel or to extend assistance for the provision of, or to provide, temporary housing and community facilities or services required in connection with national defense activities in any area which the President, pursuant to the authority contained in section 101 hereof, has determined to be a critical defense housing area.

SEC. 302. (a) To the maximum extent feasible and consistent with other requirements of national defense, any permanent housing constructed pursuant to the authority of this title shall consist of one- to four-family dwelling structures (including row houses) so arranged that they may be offered for separate sale. All housing of permanent construction which is constructed or acquired under the authority of this title shall be sold as expeditiously as possible and in the public interest taking into consideration the continuation of the need for such housing by persons engaged in national defense activities. All dwelling structures of permanent construction designed for occupancy by not more than four families (including row houses) shall, wherever feasible, be offered for separate sale, and preference in the purchase of any such dwelling structure shall be granted to occupants and to veterans over other prospective purchasers. As among veterans, preference in the purchase of any such dwelling structure shall be given to disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected. All dwelling structures of permanent construction in any housing project which are designed for occupancy by more than four families (and other structures in such project which are not sold separately) shall be sold as an entity. On such sales first preference shall be given for such period not less than 90 days nor more than 6 months from the date of the initial offering of such project as the Administrator may determine, to groups of veterans organized on a mutual ownership or cooperative basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to, other members of the group any tenant occupying a dwelling unit in such project, at any time during such period as the Administrator shall deem appropriate, starting on the date of the announcement by the Administrator of the availability of such project). The Administrator shall provide an equitable method of selecting the purchasers when preferred purchasers (or groups of preferred purchasers) in the same preference class or containing members in the same preference class compete with each other. Sales pursuant to this section shall be for cash or credit, upon such terms as the Administrator shall determine, and at the fair value of the property as determined by him: *Provided*, That full payment to the Government for the property sold shall be required within a period of not exceeding 25 years with interest on unpaid balances at not less than 4 percent per annum.

(b) Where it is necessary to provide housing under this title in locations where, in the determination of the Administrator, there appears to be no need for such housing beyond the period during which it is needed for housing persons engaged in national defense activities, the provisions of section 102 hereof shall not be applicable and temporary housing which is of a mobile or portable character or which is otherwise constructed so as to be available for reuse at other locations shall be provided. All housing constructed pursuant to the authority contained in this title which is of a temporary character, as determined by the Administrator, shall be disposed of by the Administrator not later than the date, and subject to the conditions and requirements, hereafter prescribed by the Congress: *Provided*, That nothing in this sentence shall be construed as prohibit-

ing the Administrator from removing any such housing by demolition or otherwise prior to the enactment of such legislation.

(c) When the Administrator determines that any housing provided under this title is no longer required for persons engaged in national defense activities, preference in admission to occupancy thereof shall be given to veterans pending its ultimate sale or disposition in accordance with the provisions of this title. As among veterans, preference in admission to occupancy shall be given to disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected.

SEC. 303. The cost per family dwelling unit for any housing project constructed under the authority of this title shall not exceed an average of \$9,000 for two-bedroom units in such project, \$10,000 for three-bedroom units in such project, and \$11,000 for four-bedroom units in such project: *Provided*, That the Administrator may increase any such dollar limitation by not exceeding \$1,000 in any geographical area where he finds that cost levels so require: *Provided further*, That in the Territories and possessions of the United States the Administrator may increase any such dollar limitation by 50 percent: *And provided further*, That for the purposes of this section the cost of any land acquired by the Administrator upon the filing of a declaration of taking in proceedings for the condemnation of fee title shall be considered to be the amount determined by the Administrator, upon the basis of competent appraisal, to be the value thereof.

SEC. 304. In furtherance of the purposes of this title and subject to the provisions hereof, the Administrator may make loans or grants, or other payments, to public and nonprofit agencies for the provision, or for the operation and maintenance, of community facilities and equipment therefor, or for the provision of community services, upon such terms and in such amounts as the Administrator may consider to be in the public interest: *Provided*, That grants under this title to any local agency for hospital construction, or for school construction or maintenance and operation, may be made only after such action by the local agency to secure assistance (i) in the case of hospitals, under Public Law 725, Seventy-ninth Congress, approved August 13, 1946, as amended, or Public Law 380, Eighty-first Congress, approved October 25, 1949, or (ii) in the case of schools, under title II of Public Law 815, Eighty-first Congress, approved September 23, 1950, or under Public Law 874, Eighty-first Congress, approved September 30, 1950, as the case may be, as is determined to be reasonable under the circumstances, and only to the extent that the required assistance is not available to such local agency under said Public Law 725, said Public Law 380, title II of said Public Law 815, or said Public Law 874, as the case may be: *Provided further*, That grants or payments for the provision, or for the maintenance and operation, of community facilities or services under this section shall not exceed the portion of the cost of the provision, or the maintenance and operation, of such facilities or services which the Administrator estimates to be attributable to the national defense activities in the area and not to be recovered by the public or nonprofit agency from other sources, including payments by the United States under any other provisions of this act or any other law: *And provided further*, That any such continuing grant or payment shall be reexamined and adjusted annually upon the basis of the ability of the agency to bear a greater portion of the cost of such maintenance, operation, or services as a result of increased revenues made possible by such facility or by such defense activities.

SEC. 305. With respect to any housing or community facilities or services which the Administrator is authorized to provide, or

any property which he is authorized to acquire, under this act, the Administrator is authorized by contract or otherwise (without regard to sections 1136 and 3709 of the Revised Statutes, as amended, section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, the Federal Property and Administrative Services Act of 1949, as amended, and prior to the approval of the Attorney General) to make plans, surveys, and investigations; to acquire (by purchase, donation, condemnation, or otherwise), construct, erect, extend, remodel, operate, rent, lease, exchange, repair, deal with, insure, maintain, convey, sell for cash or credit, demolish, or otherwise dispose of any property, land, improvement, or interest therein; to provide approaches, utilities, and transportation facilities; to procure necessary materials, supplies, articles, equipment, and machinery; to make advance payments for leased property; to pursue to final disposition by way of compromise or otherwise, claims both for and against the United States (exclusive of claims in excess of \$5,000 arising out of contracts for construction, repairs, and the purchase of supplies and materials, and claims involving administrative expenses) which are not in litigation and which have not been referred to the Department of Justice; and to convey without cost to States and political subdivisions and instrumentalities thereof property for streets and other public thoroughfares and easements for public purposes: *Provided*, That any instrument executed by the Administrator and purporting to convey any right, title, or interest in any property acquired pursuant to this title or title IV of this act shall be conclusive evidence of compliance with the provisions thereof insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned. Notwithstanding any provisions of this act, housing or community facilities constructed by the United States pursuant to the authority contained herein (except housing or community facilities of a temporary character) shall, to the maximum extent practicable, taking into consideration the availability of materials, conform to the requirements of State or local laws, ordinances, rules, or regulations relating to health, sanitation, and building codes.

SEC. 306. Any Federal agency may, upon request of the Administrator, transfer to his jurisdiction without reimbursement any lands, improved or unimproved, or other property real or personal, considered by the Administrator to be needed or useful for housing or community facilities, or both, to be provided under this title, and the Administrator is authorized to accept any such transfers. The Administrator may also utilize any other real or personal property under his jurisdiction for the purpose of this title without adjustment of the appropriations or funds involved. Any property so transferred or utilized, and any funds in connection therewith, shall be subject only to the authorizations and limitations of this title. The Administrator may, in his discretion, upon request of the Secretary of Defense or his designee, transfer to the jurisdiction of the Department of Defense without reimbursement any land, improvements, housing, or community facilities constructed or acquired under the provisions of this title and considered by the Department of Defense to be required for the purposes of the said Department. Upon the transfer of any such property to the jurisdiction of the Department of Defense, the laws, rules, and regulations relating to property of the Department of Defense shall be applicable to the property so transferred, and the provisions of this title and the rules and regulations issued thereunder shall no longer apply.

SEC. 307. Notwithstanding any other provisions of law, the acquisition by the United States of any real property pursuant to this title or title IV of this act shall not deprive

any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property, or impair the civil or other rights under the State or local law of the inhabitant of such property. Any proceedings by the United States for the recovery of possession of any property or project acquired, developed, or constructed under this title or title IV of this act may be brought in the courts of the States having jurisdiction of such causes.

SEC. 308. The Administrator shall pay from rentals annual sums in lieu of taxes and special assessments to any State and/or political subdivision thereof, with respect to any real property, including improvements thereon, acquired and held by him under this title for residential purposes (or for commercial purposes incidental thereto), whether or not such property is or has been held in the exclusive jurisdiction of the United States. The amount so paid for any year upon such property shall approximate the taxes and special assessments which would be paid to the State and/or subdivision, as the case may be, upon such property if it were not exempt from taxation and special assessments, with such allowance as may be considered by him to be appropriate for expenditures by the Federal Government for the provision or maintenance of streets, utilities, or other public services to serve such property.

SEC. 309. In carrying out this title—

(a) notwithstanding any other provisions of this title, so far as is consistent with emergency needs, contracts shall be subject to section 3709 of the Revised Statutes;

(b) the cost-plus-a-percentage-of-cost system of contracting shall not be used, but contracts may be made on a cost-plus-a-fixed-fee basis: *Provided*, That the fixed fee shall not exceed 6 percent of the estimated cost;

(c) wherever practicable, existing private and public community facilities shall be utilized or such facilities shall be extended, enlarged, or equipped in lieu of constructing new facilities; and

(d) all right, title, and interest of the United States in and to any community facilities constructed by the United States pursuant to the authority contained in this title shall (if such agency is willing to accept such facility and operate the same for the purpose for which it was constructed) be disposed of to the appropriate State, city, or other local agency having responsibility for such type of facility in the area not later than 1 year after the expiration date specified in title I hereof, and subject to the conditions and requirements hereafter prescribed by the Congress.

SEC. 310. (a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed on any construction, maintenance, repair, or demolition work authorized by this title shall be computed on a basic day rate of 8 hours per day and work in excess of 8 hours per day shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half times the basic rate of pay.

(b) The provisions of the Davis-Bacon Act (49 Stat. 1011), as amended; of title 18, United States Code, section 874; and of title 40, United States Code, section 276c, shall apply in accordance with their terms to work pursuant to this title.

(c) Any contract for loan or grant, or both, pursuant to this title shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, as amended, shall be paid to all laborers and mechanics employed in the construction of the project at the site thereof; and the Administrator shall require certification as to compliance with the provisions of this subsection prior to making any payment under such contract.

(d) Any contractor engaged in the development of any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United Department of Labor, as to the number of persons on their respective payrolls on the particular project, the aggregate amount of such payrolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

(e) The Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the Administrator in carrying out the provisions of this title (and cause to be made by the Department of Labor such investigations) with respect to compliance with and enforcement of the labor standards provisions of this section, as he deems desirable.

SEC. 311. Moneys derived from rentals, operation, or disposition of property acquired or constructed under the provisions of this title shall be available for expenses of operation, maintenance, improvement, and disposition of any such property, including the establishment of necessary reserves therefor and administrative expenses in connection therewith: *Provided*, That such moneys derived from rentals, operation, or disposition may be deposited in a common fund account or accounts in the Treasury: *And provided further*, That the moneys in such common fund account or accounts shall not exceed \$5,000,000 at any time, and all moneys in excess of such amount shall be covered into miscellaneous receipts.

SEC. 312. The Administrator shall fix fair rentals based on the value thereof as determined by him which shall be charged for housing accommodations operated under this title and may prescribe the class or classes of persons who may occupy such accommodations, preferences, or priorities in the rental thereof, and the terms, conditions, and period of such occupancy.

SEC. 313. There are hereby authorized to be appropriated—

(a) such sums, not exceeding \$60,000,000, as may be necessary for carrying out the provisions and purposes of this title relating to community facilities and services in critical defense housing areas; and

(b) such sums, not exceeding \$50,000,000 as may be necessary for carrying out the provisions and purposes of this title relating to housing in critical defense housing areas.

SEC. 314. Subject to all of the limitations and restrictions of this act, including, specifically, the requirements of subsection (c) of section 103 hereof and of subsections (c) and (d) of section 309 hereof, where any other officer, department, or agency is performing, or, in the determination of the President, has facilities adapted to the performance of, functions, powers, and duties similar, or directly related, to any of the functions, powers and duties which the Housing and Home Finance Administrator is authorized by this title to perform with respect to the construction, maintenance or operation of community facilities for education, health, refuse disposal, sewerage treatment, recreation, water purification, and day-care centers, the President may transfer to such other officer, department, or agency any of the functions, powers, and duties authorized by this title to be performed with respect thereto if he finds that such transfer will assist the furtherance of national defense activities, and upon any such transfer, funds in such amount as the Director of the Bureau of the Budget shall determine, but in no event in excess of the balance of any moneys appropriated to the Housing and Home Finance Administrator pursuant to the au-

thorization therefor contained in this title for the performance of the transferred functions, powers, and duties may also be transferred by the President to such other officer, department, or agency: *Provided*, That the President, by Executive order or otherwise, may prescribe or direct the manner in which any functions, powers, and duties, which the Housing and Home Finance Administrator is authorized by this title to perform with respect to assistance for the construction, or the construction of, any community facilities, shall be administered in coordination with other officers, departments, or agencies having functions or activities related thereto.

SEC. 315. As used in this title, the following terms shall have the meanings respectively ascribed to the below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "State" shall mean the several States, the District of Columbia, and Territories, and possessions of the United States.

(b) "Federal agency" shall mean any executive department or officer (including the President), independent establishment, commission, board, bureau, division, or office in the executive branch of the United States Government, or other agency of the United States, including corporations in which the United States owns all or a majority of the stock, directly or indirectly.

(c) "Community facility" shall mean any facility necessary for carrying on community living, including primarily waterworks, sewers, sewage, garbage and refuse disposal facilities, fire protection facilities, public sanitary facilities, works for treatment and purification of water, schools, hospitals and other places for the care of the sick, recreational facilities, streets and roads, and day-care centers.

(d) "Community service" shall mean any service necessary for carrying on community living, including the maintenance and operation of facilities for education, health, refuse disposal, sewage treatment, recreation, water purification, and day-care centers, and the provision of fire protection and other community services.

(e) "Nonprofit agency" shall mean any agency no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(f) "Project" shall mean housing or community facilities acquired, developed, or constructed with financial assistance pursuant to this title.

(g) "Veteran" shall mean a person, or the family of a person, who has served in the active military or naval service of the United States at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President, and who shall have been discharged or released therefrom under conditions other than dishonorable or who shall be still serving therein. The term shall also include the family of a person who served in the active military or naval service of the United States within any such period and who shall have died of causes determined by the Veterans' Administration to have been service-connected.

TITLE IV—PROVISION OF SITES FOR NECESSARY DEVELOPMENT IN CONNECTION WITH ISOLATED DEFENSE INSTALLATIONS

SEC. 401. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, upon a finding by the President that in connection with a defense installation (as defined by him) developed or to be developed in an isolated or relatively isolated area (1) housing or community facilities needed for such installation would not otherwise be provided when and where required or (2) there would otherwise be speculation or uneconomic use of land resources which would

impair the efficiency of defense activities at such installation, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to make general plans for the development of necessary housing and community facilities in connection with such defense installation; to acquire, by purchase, condemnation, or otherwise, the necessary improved or unimproved land or interests therein; to clear land; to install, construct, or reconstruct streets, utilities, and other site improvements essential to the preparation of the land for use in accordance with said general plans; and to dispose of such land or interests therein for use in accordance with such plans and subject to such terms and conditions as he shall deem advisable and in the public interest. For the purposes of this title, the Administrator may exercise the powers granted to him in title III for the purposes thereof: *Provided*, That no funds made available under this title shall be used for the erection of dwellings or other buildings, and funds representing the fair value, as determined by the Administrator, of any property acquired under this title and used as sites for dwellings or other buildings or facilities under title III shall be transferred from funds appropriated thereunder and made available for purposes of this title IV: *And provided further*, That the provisions of section 310 shall be applicable to site development work under this title.

SEC. 402. Upon a finding by the President that it is necessary or desirable in the public interest that land shall be acquired by the Administrator not only for the purposes of section 401 hereof but for the defense installation to be served thereby, the Administrator is authorized to acquire improved or unimproved land for such defense installation and, in connection therewith, to exercise any powers granted under this title. The Administrator may transfer such property to the appropriate Federal, State, local or private agency, person, or corporation upon such terms and conditions as he shall determine to be in the public interest.

SEC. 403. With respect to any real property acquired and held by the Administrator pursuant to this title and with respect to any defense installation owned by the Federal Government in connection with which such property is acquired, the Administrator may pay annual sums in lieu of taxes to the appropriate State and local taxing authorities: *Provided*, That, in making any such payments, the Administrator shall take into consideration other payments by the Federal Government to the State and local taxing authorities, the value of services furnished by such taxing authorities in connection with the property or installation, and the value of any services provided by the Federal Government. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this section.

SEC. 404. The Administrator is authorized to obtain money from the Treasury of the United States for use in the performance of the functions, powers, and duties granted to him by this title, not to exceed a total of \$10,000,000 outstanding at any one time. For this purpose appropriations not to exceed \$10,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administrator from the revolving fund when requested by the Administrator. As the Administrator repays the amounts thus obtained from the Treasury, the repayments shall be made to the revolving fund. The Administrator shall pay into the Treasury as miscellaneous receipts interest on the outstanding advances from the Treasury provided for by this section. The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury for its cost, taking into consideration the current average interest rate

which the Treasury pays upon its marketable obligations.

SEC. 405. In any city or in two contiguous cities in which, on March 1, 1951, there were in one of such cities more than 12,000 temporary housing units held by the United States of America, the powers authorized by this title may be exercised for the acquisition of land for the provision of improved sites for privately financed defense housing: *Provided*, That acquisitions pursuant to this section shall be limited to not exceeding 300 acres of land in the general area in which approximately 1,500 units of such temporary housing were unoccupied on said date.

TITLE V—PREFABRICATED HOUSING

SEC. 501. Section 102 of the Housing Act of 1948, as amended, is amended by striking out the words "for the production of prefabricated houses or prefabricated housing components, or for large-scale modernized site construction" at the end of the first sentence thereof and inserting the following: "for production or distribution of prefabricated houses or housing components and for related purposes, or for modernized site construction: *Provided, however*, That no loan in excess of \$500,000 shall be made to any individual or corporation for purposes of production," and by inserting after the word "determine" in the second sentence thereof the words "and may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or the purchase of participation or otherwise."

SEC. 502. The Housing Act of 1948, as amended, is amended by inserting before section 103 thereof the following new sections:

"SEC. 102a. To assure the maintenance of industrial capacity for the production of prefabricated houses and housing components so that it may be available for the purposes of national defense, the Housing and Home Finance Administrator is authorized to make loans to and purchase obligations of any business enterprise or financial institution for the purpose of providing financial assistance for the production or distribution of prefabricated houses or prefabricated housing components and for related purposes. Such loans may be made upon such terms and conditions and with such maturities as the Administrator may determine and may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or the purchase of participation or otherwise: *Provided*, That the total amount of commitments for loans made and obligations purchased under this section shall not exceed \$15,000,000 outstanding at any one time, and no financial assistance shall be extended under this section unless it is not otherwise available on reasonable terms. The Administrator is further authorized to issue to the Secretary of the Treasury, and the Secretary of the Treasury is authorized to purchase, obligations of the Administrator in an amount outstanding at any one time sufficient to enable the Administrator to carry out his functions under this section, such obligations to be in substantially the same form, and be issued in the same manner and subject to the same conditions, except as to the total amount thereof, as obligations issued by the Administrator pursuant to Reorganization Plan 23 of 1950.

"SEC. 102b. In the performance of, and with respect to, the functions, powers, and duties vested in him by Reorganization Plan 23 of 1950 and by section 102a hereof, the Housing and Home Finance Administrator shall, in addition to any powers, functions, privileges, and immunities otherwise vested in him—

"(1) have the powers, functions, privileges, and immunities transferred to him by said Reorganization Plan and the same powers, functions, and duties as set forth

in section 402 of the Housing Act of 1950, except subsection (c) (2) thereof, with respect to loans authorized by title IV of said act:

"(2) take any and all actions determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans thereunder.

"SEC. 102c. Wherever in this Act the words 'prefabricated houses' are used they shall be construed to include houses which are of a mobile or portable character."

SEC. 503. The third paragraph of section 24 of the Federal Reserve Act, as amended, is amended by adding in clause (d) the words "or the Housing and Home Finance Administrator" after the words "the Reconstruction Finance Corporation" and by adding the words "or of section 102 or 102a of the Housing Act of 1948, as amended," after the words "provisions of the Reconstruction Finance Corporation Act, as amended."

TITLE VI—AMENDMENTS TO EXISTING LAWS AND GENERAL PROVISIONS

SEC. 601. Title VIII of the National Housing Act, as amended, is hereby amended—

(a) By striking out of section 803 (a) "July 1, 1951" and substituting therefor "July 1, 1953."

(b) By inserting before the period at the end of section 803 (b) (3) (C) the following: "Provided, That the Commissioner may by regulation increase the \$8,100 limitation by not exceeding \$900 in any geographical area where he finds that cost levels so require".

(c) By inserting after the words "National Military Establishment" in the last sentence of section 803 (d) the words "or the Atomic Energy Commission".

(d) by adding at the end thereof the following new section:

"SEC. 810. A mortgage which meets all of the eligibility requirements of this title except those specified in section 803 (b) (2) and which is secured by property designed for rent for residential use by personnel of the Atomic Energy Commission (including military personnel and Government contractors' employees) employed or assigned to duty at the Atomic Energy Commission installation at or in the area in which such property is constructed shall be eligible for insurance under this title if the Atomic Energy Commission or its designee shall have certified to the Commissioner that the housing with respect to which the mortgage is made is necessary to provide adequate housing for such personnel, that such installation is deemed to be a permanent part of the Atomic Energy Commission establishment, and that there is no present intention to substantially curtail activities at such installation. Notwithstanding the provisions of any other law, preference or priority of opportunity in the occupancy of the mortgaged property for such personnel and their immediate families shall be provided under such regulations and procedures as may be prescribed by the Commissioner. To effectuate the purpose of this title the Atomic Energy Commission or its designee is authorized to exercise all the authority granted to the Secretary of Defense or the Secretary of the Army, Navy, or Air Force pursuant to this title. Nothing herein contained shall impair the powers vested in the Atomic Energy Commission by the Atomic Energy Act of 1946."

SEC. 602. Notwithstanding any other provisions of this or any other act (including the Defense Production Act of 1950), in any critical defense housing area loans for the purchase, construction, alteration, repair, or improvement of residential property may be guaranteed or insured, in accordance with the provisions of the Servicemen's Readjustment Act of 1944, as amended, on behalf of veterans employed, or to be employed, in defense plants or installations: *Provided*, That any houses purchased or constructed

with any such loans, not conforming to credit restrictions under the Defense Production Act of 1950, are within the number programmed for the area and are held subject to the terms and conditions prescribed by the Housing and Home Finance Administrator for housing built pursuant to relaxations of such restrictions: *And provided further*, That this section shall not be applicable to dwelling units, the cost of which exceeds \$10,000 for a two-bedroom unit, \$11,000 for a three-bedroom unit, or \$12,000 for a four-bedroom unit.

SEC. 603. The act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended by adding at the end thereof the following new section 611:

"SEC. 611. Notwithstanding any other provision of law, the President is authorized to extend, for such period or periods as he shall specify, the time within which any action is required or permitted to be taken by the Administrator or others under the provisions of this title (or any contract entered into pursuant to this title), upon a determination by him, after considering the needs of national defense and the effect of such extension upon the general housing situation and the national economy, that such extension is in the public interest."

SEC. 604. The National Housing Act, as amended, is hereby amended—

(a) by striking out the period at the end of the second sentence of section 204 (d) and inserting a comma and the following: "except that debentures issued with respect to mortgages insured under section 213 shall mature 20 years after the date of such debentures."

(b) by striking out of the second sentence of section 207 (i) the words "and shall mature 3 years after the 1st day of July following the maturity date of the mortgage in exchange for which the debentures were issued" and inserting in lieu thereof "and shall mature 20 years after the date thereof."

SEC. 605. Section 207 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of clause "(1)" in paragraph numbered "(2)" the words "of the property or project" and inserting in lieu thereof the words "of the property or project attributable to dwelling use"; and (2) by striking out of clause "(1)" in paragraph numbered "(2)" the words "and not in excess of \$10,000 per family unit" and inserting in lieu thereof the words "and not in excess of \$10,000 per family unit and (iii) 90 per centum of the estimated value of such part of such property or project as may be attributable to nondwelling use"; and (3) by striking out of paragraph numbered "(3)" the words "four and one-half per family unit" and substituting therefor the words "four per family unit."

SEC. 606. The first sentence of section 214 of the National Housing Act, as amended, is hereby amended by striking the word "one-third" and inserting the word "one-half."

SEC. 607. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sections:

"WAIVER OF OCCUPANCY REQUIREMENTS FOR SERVICEMEN"

"SEC. 216. The Commissioner is hereby authorized to insure any mortgage otherwise eligible for insurance under any of the provisions of this Act without regard to any requirement that the mortgagor be the occupant of the property at the time of insurance, where the Commissioner is satisfied that the inability of the mortgagor to occupy the property is by reason of his entry into military service subsequent to the filing of an application for insurance and the

mortgagor expresses an intent to occupy the property upon his discharge from military service.

"GENERAL MORTGAGE INSURANCE AUTHORIZATION"

"SEC. 217. Notwithstanding limitations contained in any other section of this act on the aggregate amount of principal obligations of mortgages which may be insured under any title of this act, such aggregate amount shall, with respect to any title of this act (except title VI) be prescribed by the President, taking into consideration the needs of national defense and the effect of additional mortgage insurance authorizations upon conditions in the building industry and upon the national economy: *Provided*, That the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this act plus the aggregate dollar amount of all increases in mortgage insurance authorizations under other titles of this act prescribed by the President pursuant to authority contained in this section shall not exceed \$1,500,000,000 and shall be available only for mortgage insurance with respect to housing in critical defense housing areas."

SEC. 608. Notwithstanding any other provision of law or Reorganization Plan 22 of 1950, one of the five or more persons constituting the Board of Directors of the Federal National Mortgage Association shall be appointed by the Administrator of Veterans' Affairs from among the officers or employees of the Veterans' Administration.

SEC. 609. (a) Section 702 of the National Housing Act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"(c) (3) After completion of the project the investor must establish in a manner satisfactory to the Commissioner that the project is free and clear of liens and that there are no other outstanding unpaid obligations contracted in connection with the construction of the project, except taxes and such other liens and obligations as may be approved or prescribed by the Commissioner. Debentures issued by the investor which are payable out of net income from the project and from the benefits of the insurance contract shall not be construed as unpaid obligations as such term is used in this subsection."

(b) Section 707 of the National Housing Act, as amended, is hereby amended by adding the following new sentence at the end thereof: "Nothing contained in this title or any other provision of law shall be construed as preventing or restricting an investor from assigning, pledging, or otherwise transferring or disposing of, subject to rules and regulations of the Commissioner, any or all rights, claims, or other benefits under any insurance contract made pursuant to this title to an assignee, pledgee, or other transferee, including the holders (or the trustee for such holders) of any debentures issued by the investor in connection with the project to which such insurance contract relates, and the Commissioner is authorized to pay claims or issue debentures in accordance with the provisions of this section and section 708 of this title to any such assignee, pledgee, or other transferee."

SEC. 610. Section 713 (n) of the National Housing Act, as amended, is hereby amended by adding before the period at the end thereof the words "or such lesser amount as shall be agreed upon by the investor and the Commissioner."

SEC. 611. Upon a finding by the Housing and Home Finance Administrator that the acquisition of any real property for a defense installation or industry has resulted, or will result, in the displacement of persons from their homes on such property, he may (notwithstanding any other provision of this or any other law) issue regulations pursuant

to which such persons may be permitted to occupy or purchase housing for which credit restrictions established pursuant to the Defense Production Act of 1950 have been relaxed or housing which has been provided or assisted under the provisions of this act (including amendments to other acts provided herein), subject to any conditions or requirements that he determines necessary for purposes of national defense.

SEC. 612. Section 713 (o) of the National Housing Act, as amended, is hereby amended by inserting before the period at the end thereof the words "and income taxes."

SEC. 613. Section 504 of the Housing Act of 1950 is amended by striking out "builder, veteran, or other purchaser" wherever it appears therein and inserting in lieu thereof the following: "builder or other seller, or the veteran or other purchaser."

SEC. 614. (a) Section 512 (b) of the Servicemen's Readjustment Act of 1944 is amended (1) by striking out clause (C); and (2) by striking out "June 30, 1951" and inserting in lieu thereof "July 1, 1953."

(b) Section 512 (d) of the Servicemen's Readjustment Act of 1944 is amended to read as follows:

"(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title."

(c) The first sentence of section 513 (a) of the Servicemen's Readjustment Act of 1944 is amended to read as follows: "For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after July 1, 1953."

(d) Section 513 (c) of the Servicemen's Readjustment Act of 1944 is amended by striking out "June 30, 1952" and inserting in lieu thereof "July 1, 1954."

SEC. 615. The Secretary of Defense or his designee shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency, and the Chairman of the Board of Directors of the Reconstruction Finance Corporation or his designee shall not hereafter be included in the membership of said Council.

SEC. 616. During the period from the date of the approval of this act to and including the expiration date specified in section 104 hereof, no project shall be initiated, and the income limitations contained in the United States Housing Act of 1937, as amended, shall not be waived or suspended, pursuant to the authorization therefor in title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940.

SEC. 617. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEC. 618. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidence of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any

persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

**DEATH OF GEORGE ALBERT SMITH,
PRESIDENT OF THE CHURCH OF JESUS
CHRIST OF LATTER-DAY SAINTS**

Mr. MARTIN. Mr. President, last Thursday the able Senators from Utah [Mr. WATKINS and Mr. BENNETT] announced the passing of President George Albert Smith, the eighth president of the Church of Jesus Christ of Latter-Day Saints.

It was not my privilege to be on the floor at that time and to express my sentiments. Therefore, I desire, at this time, to pay tribute to this great American and outstanding Christian gentleman.

Last fall, through the courtesy of the distinguished senior Senator from Utah, Mrs. Martin and I had the high privilege of an interview with President Smith. It was a real inspiration to discuss with him the problems confronting America and to have the benefit of his great wisdom.

Through long years of observing the trends of our country he had accumulated a fund of facts possessed by few men.

He was a distinguished churchman. He was a distinguished American. He loved and practiced all of the ideals which have made America the outstanding Nation of all time.

In these troubled times, when men are attracted to the selfish and material things, we need men of President Smith's courage, justice, and faith.

We need the faith of Brigham Young when he stood at the head of his persecuted people on the hill overlooking the Great Salt Lake and said, "This is the place."

They had suffered from cruel intolerance. They had endured the hardships of barren land, mountains, and hostile Indians to find a home where they could work and live in peace.

That broad desert valley has been transformed into a garden spot of the world through work, courage, and faith.

President Smith led his people in the ways of good Americanism. Under his leadership they recognized their obligations to our Government. They have opposed governmental paternalism.

Their material, cultural, and spiritual progress in a hundred years has been truly magnificent. Their achievements have made Utah a nation within an empire.

Although he was a giant in leadership, President Smith was humble and retiring. The memory of his life will add greatly to the strength of America in these troubled times.

In the magazine *Presbyterian Life* of March 31, 1951, there appeared an article by the Reverend Andrew B. Smith, minister of the First Presbyterian

Church, Kingfisher, Okla., from which I now quote two significant paragraphs:

Brigham Young saw that the Lord's bounty for his people was wrapped up in that valley that had been abandoned as hopeless even by the Indians.

His utterance, "This is the place," echoes the experience of Jacob: "Surely the Lord is in this place, and I knew it not; what an awesome place. This is the very dwelling of God, a very opening into Heaven."

Did it ever occur to you to say of the place where you work, of the place where you live, of the opportunity now yours, of even the calamities in your life, "This is the place"? By the grace of God, any place can become "a very opening into heaven."

What we need now is American courage, honesty, thrift, decency, and faith.

President Smith possessed these virtues in abundance.

If we pattern our lives upon his patriotic teachings we will find greater opportunities for service to our country. We will be inspired to say in faith and confidence: This is the place.

Mr. WELKER. Mr. President, I would feel that I had neglected my duty if I did not rise to express my deep sorrow and the sorrow of the people of my State by reason of the death on April 4, on his eighty-first birthday, of George Albert Smith, the kindly and lovable president of the Church of Jesus Christ of Latter-Day Saints. His death is not only a blow to the people of his home State, Utah, but a blow to the State of Idaho, of the Nation, and of the entire world as well.

President Smith, as is commonly known to us, was the president of the Church of Jesus Christ of Latter-Day Saints. He was also considered to be prophet, seer, and revelator of that great sect. By nature devout and of righteous desire, he spent the full efforts of a long life in bringing the Gospel to others that they might share in its blessings.

The Mormon people—as they are called, and there are thousands of them in the State of Idaho—are among the finest in the world. The Mormons are deeply sorrowed at the passing of this great leader.

George Albert Smith was the stalwart champion of everything that was good. He led his people frankly and in an unassuming manner, in the ideals of thriftiness and frugality, and was a firm believer in work and labor. His teachings were obeyed to such an extent that most Mormons in my own State own their own homes, free of debt, solely because they followed down the line the teachings of that great leader and trusted him. How well I remember the admonition of President Smith when he said, "Get out of debt and stay out of debt." His admonition, Mr. President, is just as applicable to the Government as it was to his people, and it is to all of us.

As I said, he was a firm believer in work and thrift, and the people of my State of Idaho pay tribute to the sound financial status of the great State of Utah, which resulted solely because the people of that State were members of that great faith, and obeyed the teachings of President Smith.

He was a kindly, sweet man. I would that all the people of the world could have known him as we of the West knew him. He loved his fellow man deeply and sincerely, and he ardently, in turn, sought their love. It was a blessing to all of us in the West who knew him that members of all other faiths who knew him admired that great person.

In addition to being a great leader of his own faith, President Smith was either a director, a vice president or president of nearly a score of vast business corporations in the West. His justice and sense of fair play had raised him to those offices which he held. He held those offices of trust in his corporate capacity because of the high esteem in which the people held him and the faith they had in him.

Probably one organization outside his church where his influence most affected the people of Idaho was the very famous Utah-Idaho Sugar Co. President Smith had been a director and vice president of this organization which created and nurtured the beet-sugar industry in America. It was largely through the efforts of this organization, with President Smith as the leader, that large stretches of the Idaho arid land has been made productive.

It may be interesting for Senators to know that the Mormon people in 1847 were the first Anglo-Saxons in America to practice the art of irrigation, and that through President Smith's activities, the irrigation has become more than a practice—it has become an art. Yes, Mr. President, the farmers and the irrigators and the people of all of Idaho and of the West and those who knew him throughout the world have bowed their heads in sadness over the loss of this great character. They have lost a real friend.

I could continue and tell the Senate much more about this great and good man. It is interesting to note that this great leader always had time for the young, the boys and the girls of the world. Suffice it to say that, as a leader of the Boy Scouts, he has received the highest award and the greatest honor that organization could bestow.

I say to you, Mr. President, that the people of my State are grieved, and I personally am grieved. I join the two Senators from Utah in paying tribute to the memory of this great man. I think I should say, Mr. President, that the junior Senator from Nevada [Mr. MALONE] joins me in the expressions I have uttered here this afternoon.

The world will long remember the great inspiration and the great leadership that George Albert Smith gave. We need more people like him in the world today.

The people of Idaho say farewell to this great man. The world has gained new luster by his life.

Mr. MALONE subsequently said:

Mr. President, I join wholeheartedly in the tributes paid to George Albert Smith and in the sentiments heretofore expressed in regard to him by the Senators from Utah [Mr. WATKINS and Mr.

BENNETT] and in those expressed today by the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Idaho [Mr. WELKER]. The State of Utah, the other Western States, and, in fact, the entire United States of America lost a great citizen and a great man on April 4 when George Albert Smith, president of the Church of Jesus Christ and Latter-Day Saints passed away.

I have a particular interest in Utah, inasmuch as two junior officers—one of whom was myself, and the other was "Chick" Woodruff, of Salt Lake City, who now is a very fine doctor located in that area—took Battery F of the One Hundred and Forty-fifth Field Artillery, to France in 1918. Two hundred of the boys in that battery were from Provo, Utah. Those boys, who were from 18 to 25 years of age, were one of the greatest organizations with which it has been my privilege and good luck to be associated. They were good boys and good fighters.

As has been stated by the Senator from Idaho, the late president of the Church of Jesus Christ and Latter-Day Saints, George Albert Smith, had a great interest in the Boy Scouts. I was associated with the Utah officials of the Boy Scouts, during the time when I was president of the Nevada Executive Council of the Boy Scouts, in 1928 and 1929, and organized the Boy Scouts in that State. So I know of the great work the Boy Scouts were doing at that time, as well as at the present time, for I am still a member of the Nevada Board of Directors of the Boy Scouts. George Albert Smith was a member of the national board of the Boy Scouts.

In every field, the church of which Mr. Smith was the head had a deep interest in good government. His church had—and still has—a plan which proved most beneficial during the so-called depression which lasted from 1930 to World War II, of supplementing and storing supplies and looking ahead for such things as depressions and lack of work for its people, so that practically none of the members of that great church has ever been known to be on relief or to participate in an organization which logically could be charged with accepting charity from the United States Government.

In closing, Mr. President, I wish to say that J. Reuben Clark and other great men at or near the head of the Church of Jesus Christ and Latter-Day Saints, as well as the late George Albert Smith and other presidents of that Church, whom I have known over the years, have done a magnificent work in directing their people. Too much emphasis cannot be placed on the good which has been accomplished by that organization in ministering to the people of the State of Utah and the people in parts of Nevada and Idaho, where members of that great organization reside. In fact, its work has had a fine effect on the entire Nation.

RECESS TO WEDNESDAY AND CALL OF THE CALENDAR

Mr. McFARLAND. Mr. President, I have been asked what the program of the Senate will be following today. The

committees have complained that they are behind with their work by reason of the long sessions held by the Senate recently. To provide additional time for committee work I ask that when the Senate concludes its business today it take a recess from today until Wednesday.

I also ask unanimous consent, Mr. President, that when the Senate meets on Wednesday the calendar be called for the consideration of unobjected-to bills.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I do not want to object, but I think it should be thoroughly understood that the request includes the call of the calendar from the beginning.

Mr. McFARLAND. Yes, that is correct.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REORGANIZATION PLAN NO. 1 OF 1951
RELATING TO RFC—AUTHORITY FOR
COMMITTEE ON EXPENDITURES IN
EXECUTIVE DEPARTMENTS TO SUBMIT
REPORT DURING RECESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Committee on Expenditures in the Executive Departments be permitted to report Senate Resolution 76, disapproving Reorganization Plan No. 1 of 1951, relating to the Reconstruction Finance Corporation, during the recess of the Senate.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

THE NAVAJO-HOPI INDIAN RESERVATION
PROGRAM

Mr. FERGUSON obtained the floor.

Mr. WATKINS. Mr. President, will the Senator from Michigan yield to me, in order to permit me to make a statement which will last approximately 8 minutes?

Mr. FERGUSON. Yes, provided that it is understood that by doing so I shall not lose the floor.

The VICE PRESIDENT. Is there objection to the request that the Senator from Michigan be permitted to yield for that purpose, without losing the floor? The Chair hears none, and the Senator from Utah may proceed.

Mr. WATKINS. Mr. President, the Eighty-first Congress passed what is known as the Navajo-Hopi Indian rehabilitation bill.

As all Senators know, its purpose was to bring the activities of the United States Government into line with its treaties with the Navajo Indians. To accomplish this result, authorization was made of a long-range expenditure program in the amount of \$88,570,000 for "basic improvements for the conservation and development of the resources of the Navajo-Hopi Indians, the more productive employment of their manpower, and the supplying of means to be used in their rehabilitation, whether on or off the reservation."

This law also established what is commonly called the "watchdog committee," a joint House and Senate committee to make a continuous study of the programs for rehabilitation of the Indians and to review the progress achieved in the execution of such programs.

Mr. President, I have always had an interest in the American Indians. It was therefore most gratifying to me when I was appointed a member of the Joint Committee on Navajo-Hopi Indian Administration.

Early in this year this committee met and organized, selecting my friend the distinguished majority leader as chairman. The committee now has a staff which is working on some recommendations.

On March 26, 1951, I addressed a letter to the Commissioner of Indian Affairs. My purpose in doing so is fully explained in the first two paragraphs of the letter. I was desirous of obtaining information in connection with the program of the Indian Bureau under the Navajo-Hopi rehabilitation bill, Public Law 474, Eighty-first Congress. It was also my purpose to secure from the Bureau information which would assist me in considering the recommendations of the joint committee's staff.

Mr. President, I know the Senate will be interested in the questions I raised. Therefore, I ask unanimous consent to have the letter printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 26, 1951.

Commissioner DILLON S. MYER,
Bureau of Indian Affairs,
Department of Interior,
Washington, D. C.

DEAR COMMISSIONER MYER: As a member of the Joint Committee on Navajo-Hopi Indian Administration, established under authority of section 10-A of Public Law 474, Eighty-first Congress, I am desirous of securing some information in connection with the program of the Indian Bureau under this act.

The joint committee has met and has a staff working on some recommendations in connection with the over-all operation of the joint committee under the terms of the act. To assist me in considering the recommendations and report of the staff, which I believe will be forthcoming shortly, I should like the following:

Has any program been established in connection with the \$88,000,000 authorized for appropriation under the terms of the act? If so I would appreciate a breakdown of the amount scheduled to be expended in each of the years during the life of the rehabilitation program, or a breakdown of the 14 items or subjects established under the act.

In addition I should like some information regarding the immediate conditions of the Navajo-Hopi Indians as follows:

Has any data been gathered with respect to how they have come through the winter. What are the health conditions? What is the program in connection with using the Indians during the present manpower shortage arising as a result of the increased war effort? I am particularly interested in the health and education aspects of the over-all program.

The Intermountain Indian School at Brigham City, Utah, is a new approach to the handling of the educational problem fac-

ing the Navajo-Hopi Indians. I should like a report on the number of students presently attending the Intermountain Indian School, the number programed for acceptance during the coming year, the planned budgetary commitment for the school, broken down into the essential elements, and the maximum number of students it will be possible to handle at the school together with the total cost of such maximum utilization of the facilities.

If there is any other information in connection with the Navajo-Hopi rehabilitation program which is not specifically requested here, but which you have, I would appreciate receiving that.

I am sure that with this information available to the committee we can more fully fulfill our obligations under the terms of the act.

Thanking you in advance, I remain

Sincerely yours,

ARTHUR V. WATKINS.

Mr. WATKINS. Mr. President, I have just received a reply from the Commissioner of Indian Affairs. He sent copies of his letter to all members of the joint committee. The material contained is most interesting, and should be helpful to all Senators and Representatives in their consideration of the problems of Indian welfare and the work of the Indian Bureau. Therefore I ask unanimous consent to have the letter from the Indian Commissioner, together with the attached tabulations giving the status of the rehabilitation program to March 1, 1951, printed at this point in my remarks.

These tabulations are entitled: First, "Analyses of Navajo-Hopi Program, Fiscal Year 1951"; second, "Obligation Statement for Navajo-Hopi Rehabilitation Program for the Fiscal Year 1951, and Budget Estimate, 1952"; third, "Status of the Navajo-Hopi Long-Range Rehabilitation Program, March 1, 1951."

There being no objection, the letter and attached tabulations were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,

BUREAU OF INDIAN AFFAIRS,

Washington, D. C., April 5, 1951.

HON. ARTHUR V. WATKINS,

United States Senate.

MY DEAR SENATOR WATKINS: This is in reply to your request of March 24, for information on the Navajo-Hopi rehabilitation program established under authority of Public Law 474, Eighty-first Congress.

We have not established a yearly program for expenditure of the \$88,000,000 authorized for many reasons. The prime reason is that the amount for any given year is for determination through the regular Federal budget process. You will note in the attached statement that for fiscal year 1951 we started with a budget request of \$34,400,000 (\$29,300,000 cash and \$5,100,000 contract authority) and ended with actual available funds of \$8,645,520 cash and no contract authority. This drastic change in the total amount came about through actions over which this Bureau has no control. First our estimate was examined in the Bureau of the Budget and an allowance amount was determined in relation to the President's budget policy. This amount was considered then by the Congress where changes were made in accordance with congressional policy. Finally, there was the matter of applying the requirements in section 1214 of the General Appropriation Act, 1951, wherein this program was adjusted downward along with many others to create the \$550,000,000 savings required.

It is our policy to consult with tribal governing bodies on programs for their benefit. There has been much misunderstanding among the Navajos arising from the drastic changes in amount during the processing of the 1951 budget. Were we to attempt to schedule now an amount for 1953, 1954, and so on, we would consult with the Navajo council. When appropriated amounts would bear so little resemblance to the program amounts as in 1951 I believe we would never be able to present a satisfactory explanation to the council members and their morale and the morale of all the Navajos would be completely shattered.

We certainly would like to see adopted a strategy for expenditures over the 10-year period followed by the Congress. In our view, for example, it would be highly desirable to appropriate the full authorization for roads in the first few years because the early construction of a reservation road network would reduce costs in our construction program. It would also open up the reservation to more efficient and economical administration. Again, the long-range program contemplated that the authorization of \$25,000,000 for educational facilities should, in a large measure, be expended on conversion of day schools to boarding schools to provide adequate reservation elementary facilities. There are some 40 to 50 such conversions. In the first year we received money for four, and it would appear that we will get no more than that number again in 1952. The construction of all elementary facilities in the first 3 years of the program was contemplated in the Krug report. At the rate we are going, we will hardly complete this aspect of the program in 10 years. I am sure you agree that these facilities ought to be made available at the earliest possible date as a basis of building a proper and adequate educational system at all levels of instruction. Finally, as another illustration, it would be wise to concentrate during the first 5 years on the program of on-the-job training and then concentrate on off-reservation relocation during the second 5 years. At the present rate of appropriation, it is utterly impossible for us to work out the program on this basis.

Less than normal precipitation occurred on the reservation over the winter months, although it was somewhat larger than in the previous winter months of 1949-50. We believe that adequate provision was made for meeting emergencies over the winter. However, it would appear that the most severe results of the drought will now probably become apparent, that is, in the months lying ahead, and also assuming a continuance of drought conditions. The lamb crop would undoubtedly suffer and there would be some losses in the areas where the drought has been most pronounced. However, it is clear to us that wide opportunity will continue to be available to the Navajos in off-reservation employment. Some stock may be benefited by the well-construction program which was authorized by the tribal council last week; that is, the council voted to use \$250,000 of tribal funds for this purpose. I can assure you that the situation is being watched closely for the development of serious conditions and that the needs of the Navajos which they cannot meet themselves will be promptly brought to the attention of Congress. Specific data on losses are not available here, but I am requesting the Window Rock office to render an immediate report for transmittal to you. It is significant that only \$100,000 of one-half-million-dollar loan fund made available by the council for drought relief loans has been used. We are informed that the Navajos to a large extent have been using wages earned in off-reservation work to finance feed purchases, a very commendable action on their part.

The administration of the categorical aids by the respective States has been completed and is now functioning fairly well. In addition, the funds made available by Congress for general assistance have proved so far to be sufficient to meet needs.

It is impossible as yet to point to any material or noticeable improvement in the health conditions on the Navajo Reservation as a direct result of the passage of the long-range program act. Administrators are having difficulty, of course, in maintaining the existing hospital facilities in view of the general shortage of medical and nursing personnel which prevails throughout the country. Excellent medical service is being rendered at Tuba City and the Fort Defiance Medical Center. The tuberculosis situation is undoubtedly no better than it was because no increase in available hospital beds has come about. At the present time less than 200 beds, on and off the reservation, are available for tuberculosis patients. We need approximately 700 additional beds to take care of serious infectious cases. In an effort to hold new construction proposals to a minimum to meet this need, we are now exploring the availability of beds in institutions within and outside the service. We also need enlarged general hospital facilities at Tuba City and the early reconstruction of the hospital at Shiprock. One of our greatest difficulties is getting and keeping competent physicians and nurses which is due in part to the fact that competing agencies are able to pay better salaries and in part to the remote location of many of our facilities.

I can assure you that Navajos are active at present in meeting the manpower situation in the West. Preliminary estimates of income earned last year indicate that off-reservation employment was in excess of income earned from various economic activities on the reservation. I shall send you a full report on this subject after receiving the details from the Window Rock office. Navajos are employed in very large numbers and, in fact, are the basis of the labor supply in the munitions bases at Belemont, Fort Wingate, Toelle, and Barstow. Of course, the bulk of this off-reservation employment is not permanent, but it has become a highly significant factor in the labor picture in the Southwest and in the economy of the reservation. As you probably know, the Santa Fe, Union Pacific, and Denver & Rio Grande Railroads are dependent on some several thousand Navajos in connection with their seasonal track work from March to September.

We are making, I think, slow but steady progress toward the goal of putting Navajo children of school age in school by providing the necessary facilities. Five or six years ago the total enrollment of all kinds of schools (Federal, public, and mission) totaled around 5,000. An estimate for the current school year is 11,200. It is observed, however, that we will slow down the rate of increase after the completion of Intermountain, unless there is an increased rate of appropriation to provide for the conversion of day schools and for the completion of Shiprock and undertaking the construction of the proposed school at Kayenta.

The following tabulation gives the information about the education program for Navajo and Hopi Indians at the Intermountain School, Brigham City, Utah:

Authorized enrollment, 1951.....	1,300
Authorized enrollment, 1952.....	2,000
<i>1952 Budget</i>	
Personal services.....	\$1,048,849
Utilities.....	60,000
Supplies and materials and other expenses.....	746,151
Equipment.....	75,000
Total estimate.....	\$1,930,000

Estimated maximum enrollment..... 1,150
 Estimated total cost of maximum
 utilization of facilities..... \$2,074,750

I am enclosing also three statements about this program giving additional information. These are as follows:

1. Obligation statement for Navajo-Hopi rehabilitation program for fiscal year 1951 and budget estimates 1952.

2. Status of the Navajo-Hopi rehabilitation program, March 1, 1951.

3. Analysis of Navajo-Hopi program fiscal year 1951, showing the budget progress for each of the 14 items contained in the Navajo-Hopi Rehabilitation Act.

Your continuing interest in this program is appreciated. As it is believed that the foregoing information will be of interest to the other members of the Joint Committee, I am taking the liberty of sending each of them a copy of this letter and its enclosures.

Sincerely yours,

D. S. MYER, Commissioner.

Bureau of Indian Affairs—Obligation statement for Navajo-Hopi rehabilitation program for fiscal year 1951, and budget estimate, 1952

	1951 Availability	Obligations through February 1951	Estimated obligations from Feb- ruary to June 30, 1951	Budget estimate 1952
1. Soil and moisture conservation and range improvement work.....	\$300,000	\$201,900	\$98,100	\$300,000
2. Construction, irrigation projects—on Navajo.....	567,475	242,329	325,146	296,500
3. Surveys and studies of timber, coal, minerals, etc.....	15,545	4,000	11,545	125,000
4. Development of industrial and business enterprises.....	52,000	-----	52,000	82,500
5. Off-reservation employment.....	194,600	-----	194,600	43,000
6. Relocation and resettlement of Navajo-Hopi Indians (Colorado River, irrigation).....	800,000	638,231	161,769	500,000
7. Roads and trails.....	960,000	472,856	487,144	1,000,000
8. Telephone and radio communication systems.....	105,200	70,447	34,753	88,000
9. Agency, institutional, and domestic water supply.....	542,200	312,680	229,520	136,000
10. Revolving loan fund.....	742,300	-----	-----	800,000
11. Hospital and health facilities.....	4,750,000	83,550	658,750	340,000
12. Educational facilities.....	3,994,800	1,602,333	2,392,467	3,073,000
13. Housing and necessary facilities and equipment.....	26,300	-----	26,300	-----
14. Common services facilities.....	345,100	80,000	265,100	-----
Total.....	8,645,520	3,708,326	4,937,194	6,784,000

¹ Programed for construction of Navajo Center in Gallup, N. Mex.

Bureau of Indian Affairs—Status of the Navajo-Hopi long-range rehabilitation program, Mar. 1, 1951

	Navajo-Hopi authorization, Public Law 474, 81st Cong.	Fiscal year 1951 availability after reduction sec. 1214, Public Law 759	Comments and progress to Mar. 1, 1951
1. Soil and moisture conservation and range improvement work.....	\$10,000,000	\$300,000	339 projects have been completed since July 1, which includes all phases of soil conservation.
2. Completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project.....	9,000,000	567,475	Surveys and investigation, including San Juan-Shiprock project: Geological investigations are done under contract by Geological Survey and all work is carried out in close cooperation with the Bureau of Reclamation. Many farms project: 80 percent completed over-all. 260 acres subjugated. Hogback project: 26 percent completed over-all. Fruitland project: 80 percent completed over all. 250 acres subjugated. Choiska project: 15 percent completed over all. \$4,000 has been obligated under agreement with the Geological Survey for a special study in connection with mining developments on the reservation. The small balance will be allocated to 1 or more of the many surveys and studies which are under consideration. Plans have been made for this amount to assist in various enterprises and small industries which the tribe will undertake during the fiscal year. Land in the city of Gallup has been acquired by gift from the city for the Gallup Reception Center. On completion of drawings and specifications the contract for construction of this building will be let. Also the title to land has to be approved by the Washington office.
3. Surveys and studies of timber, coal, mineral, and other physical and human resources.....	500,000	15,545	
4. Development of industries and business enterprises.....	1,000,000	52,000	
5. Development of opportunities for off-reservation employment, and resettlement and assistance in adjustments related thereto.....	3,500,000	194,600	
6. Relocation and resettlement of Navajo and Hopi Indians (Colorado River Indian Reservation).....	5,750,000	800,000	25 Hopi and 82 Navajo families have already received farms on the Colorado River project. Window Rock area office has screened from many applications 60 more families to be relocated in February, March, and April of this year, of which 22 have already moved.
7. Roads and trails.....	20,000,000	960,000	Subgraded roads completed, 19. 285 miles; subgraded roads rebuilt, 2,756 miles; surfacing completed, 7,950 miles; and major bridges, 191 linear feet—85 percent complete.
8. Telephone and radio communication systems.....	250,000	105,200	Keams Canyon: To establish automatic dial systems and provide additional carrier circuits to Holbrook and Window Rock. Project is under way and approximately 73 percent complete. Tuba City: To establish automatic dial and addition of carrier circuits to connect with Window Rock and Flagstaff. Bids are now out for the purchase of necessary equipment and supplies. Shiprock: To establish automatic dial and installation of carrier circuits to Window Rock and Farmington. Project 61 percent complete. Tahatchi: Installation of automatic dial system with carrier circuit to Window Rock. A new 2-wire metallic circuit to Window Rock completed. Entire project 76 percent complete. Radios: Radios to be strategically located over the reservation are now on order. Existing radios now being reconditioned. This will make available emergency 2-way radio communication which can also be used for national defense.
9. Agency, institutional, and domestic water supply.....	2,500,000	542,200	\$150,000 to Geological Survey to continue water-exploration surveys. Wells are being drilled at Thoreau, Cheechilgeetho, Kaibeto, Iyanbito, and Twin Lakes. Development of additional water supply for Fort Defiance now underway.
10. Revolving loan fund.....	5,000,000	-----	No funds were made available under this authorization for fiscal year 1951.
11. Hospital buildings and equipment, and other health-conservation measures.....	4,750,000	742,300	Construction of central heating and power houses at Shiprock project and for plans and surveys for Tuba City Hospital. The Shiprock power plant is being constructed by contract and is now approximately 33 percent complete. Included also is the pro rata share chargeable to the health program for common utility systems serving both schools and hospitals.
12. School buildings and equipment and other educational measures.....	24,000,000	3,994,800	Shiprock school project: 3 elementary dormitories with a total capacity of 192 are complete and occupied, the 3 intermediate dormitories with a total capacity of 252 are approximately 70 percent complete. The water-treatment plant and distribution system are 90 percent complete; elevated 75,000-gallon storage tank, 100 percent complete; sewage system and disposal field, 68 percent complete. Keams Canyon heating and power plant: Contract has been awarded for developing plans, working drawings, and specifications on the Keams Canyon heating and power plant. Soil and bearing tests have been made. Contract for the construction of plant will be let following completion and approval of plans and location. Miscellaneous service facilities approximately 20 percent complete.
13. Housing and necessary facilities and equipment.....	820,000	26,300	
14. Common service facilities.....	500,000	345,100	
Total.....	88,570,000	8,645,520	

DAY SCHOOL CONVERSIONS

Cheechilgeetho: Preliminary drawings completed, working drawings and estimates being completed.
 Hunters Point: Preliminary drawings complete. Working drawings and estimate being completed.
 Kaibeto: Preliminary drawings 50 percent complete, working drawings 50 percent complete; survey and estimates not yet started. Actual construction scheduled approximately Apr. 1, depending on development of adequate water.
 Thoreau: Funds made available to convert a closed day school to a boarding school of 150 capacity. Working drawings complete. Survey and estimates complete. Actual construction awaiting authority. Title to land in Washington for approval.
 Quarters and miscellaneous service facilities: Included also is the proportionate share of common utility systems serving both schools and hospitals.
 For use at the Colorado River agency to rehabilitate housing units at the irrigation project for assignment to Navajos and Hopis relocated on the newly subjugated land.
 Land at Gameroo has been acquired by gift from Gameroo Coal Co. for the "Gallup warehouse facility." All drawings and plans with estimates are 90 percent completed. All structural steel for this building has been purchased. Arrangements made with Atcheson, Topeka & Santa Fe R. R. for sidings. Actual construction scheduled to begin as soon as title to land is approved by Washington office.

Bureau of Indian Affairs—Analyses of Navajo-Hopi program, fiscal year 1951

Appropriations and activities	Budget estimate	Budget allowance	House allowance	Senate allowance	Act	Reduction under sec. 1214	Availability
Health, education and welfare services:							
Hospitals, disease preventive and curative services	\$677,784						
Welfare and placement services	987,997	\$815,000					
Total	1,665,781	815,000					
Resources management:							
Forest and range lands	270,000	125,000					
Agricultural and industrial assistance	976,000	370,000	\$67,545	\$67,545	\$67,545		\$67,545
Soil and moisture conservation	1,000,000	300,000	300,000	300,000	300,000		300,000
Total	2,246,000	795,000	367,545	367,545	367,545		367,545
Construction:							
Buildings and utilities:							
Cash	17,565,000	8,625,000	8,625,000	8,625,000	8,379,500	2,429,000	5,950,500
Contract authorization	(5,171,400)	(5,275,000)	(.....)	(2,500,000)	(1,000,000)	(1,000,000)	(.....)
Roads and trails	2,075,000	1,350,000	960,000	960,000	960,000		960,000
Irrigation:							
Cash	3,650,000	2,130,000	1,742,475	1,742,475	1,742,475	375,000	1,367,475
Contract authorization	(.....)	(725,000)	(500,000)	(500,000)	(500,000)	(500,000)	(.....)
Total—Cash	23,290,000	12,105,000	11,327,475	11,327,475	11,081,975	2,804,000	8,277,975
Contract authority	(5,171,400)	(6,000,000)	(500,000)	(3,000,000)	(1,500,000)	(1,500,000)	(.....)
General administrative expenses	380,000	285,000					
Revolving loan fund	1,800,400						
Total—Cash	29,382,181	14,000,000	11,695,020	11,695,020	11,449,520	2,804,000	8,645,520
Contract authority	(5,171,400)	(6,000,000)	(500,000)	(3,000,000)	(1,500,000)	(1,500,000)	(.....)

¹ Excludes \$245,500 for major repairs and improvements not chargeable to long-range authorization.

Mr. WATKINS. Mr. President, I am sure this information will be most helpful to the joint committee in fulfilling its responsibilities under the act. It is my hope that with this material as a starting point, the committee and its staff can make a sound appraisal of the Indian rehabilitation program.

It will be obvious, I am sure, to everyone who analyzes this material, that many problems are raised which need additional exploration.

It should be kept in mind that this is the first report the committee and the Congress have had in connection with the Indian rehabilitation program. For that reason it deserves careful attention by all of us. It should further be noted that the letter from the Indian Commissioner stresses the fact that the Indian Bureau's budget request for the fiscal year 1951 was about \$34,500,000, but that only \$8,500,000 was appropriated under the program.

To my mind this is significant. During this period of heavy defense spending, it is going to continue to be difficult to appropriate funds for such items as Indian rehabilitation. Therefore, we should make doubly sure that the funds which are made available are spent exclusively for the purpose of accomplishing the economic and social emancipation of the Indian and making him self-supporting.

I personally am greatly concerned about the health and education of the Indians. In that connection I call attention to the portion of the letter and tabulation dealing with the educational phase of the program. The total current school enrollment is estimated at 11,200 pupils. It is interesting to note that approximately one-fifth of this total enrollment is scheduled for the Intermountain Indian School at Brigham City, Utah, which, I am happy to say, I had a part in getting into operation.

I am, however, disturbed to note that it is not planned to put the facilities at the Intermountain Indian School to the

maximum use. According to the figures, 150 more Indians could be educated than is being planned for. This could be done for only \$144,750, or less than one thousand dollars per student. This figure includes the cost of their food, lodging, and education.

When it is realized that there are still 11,000 Indians of school age who are not being educated, and who probably will not have any opportunity to attend school, we can see the vital need for maximum utilization of this plant.

Also, in considering this phase of the Indian problem, as well as other phases, it is interesting to note that various proposals are still being devised to support expenditures for studies and surveys for the purpose of emancipating the Indians. One such proposal was included in House Joint Resolution 490, which was introduced on June 21, 1950.

I opposed that suggestion because I felt that it was time to do some acting, and less studying. I felt that the \$250,000 which, by means of that measure, it was sought to authorize for further studies and surveys, should be expended on the Indians. My views in that respect were expressed in a speech I made on this floor on December 15, 1950. I request unanimous consent that that speech be inserted at this point in my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

(Remarks in the United States Senate by Senator WATKINS on Bosone Indian bill, December 15, 1950)

Mr. WATKINS. Mr. President, reserving the right to object, I desire to make a statement regarding the joint resolution.

The PRESIDENT pro tempore. Does the Senator who objected withhold his objection for that purpose?

Mr. HENDRICKSON. I gladly do so.

The PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. WATKINS. Mr. President, I intend to take a few minutes to discuss briefly House Joint Resolution 490, which is a resolution

to authorize and direct the Secretary of the Interior to study the respective tribes, bands, and groups of Indians under his jurisdiction to determine their qualifications to manage their own affairs without supervision and control by the Federal Government.

Mr. President, this joint resolution is not as simple as the above statement would indicate it to be. In making my comments today on this joint resolution, I want it to be distinctly understood that I am thoroughly convinced that we should do everything possible to help the American Indians become independent and self-supporting American citizens. The sooner that result can be accomplished, the better it will be for the Indians and for all the rest of us. For one thing, the demands on the Treasury will be greatly lessened.

Our Government has been the guardian of the Indians for over 100 years. On the surface it would appear to be entirely unnecessary now to authorize the Secretary of the Interior to make a study of these Indians to determine their qualifications to control and manage their own affairs. If the Bureau of Indian Affairs has not made that study in the last 100 years, and if it now does not have a definite program for the emancipation of Indians, it would appear to me that it would be a waste of time and money to ask that Bureau to undertake the job now.

The fact is that numerous studies, both by the Bureau and by outside institutions and persons, have been made over the years to determine how to bring about the fullest development of the Indians, in order that they may become independent Americans, with all the rights and responsibilities of citizenship. In the beginning of the Eightieth Congress, the Commissioner of Indian Affairs was requested to file with the Senate a report naming the Indian tribes which then were ready for immediate release from the guardianship of the United States. He was also requested to name other tribes and detail their status of preparation for full citizenship and conduct of their own affairs. This report was given. It stated that 10 Indian tribes were then ready for management of their own affairs, and could be released within a reasonable time.

The report, also indicating the status of other tribes, was rather full and complete. Definite and specific recommendations were made to the Senate. For the most part, these recommendations appeared to be sound

and desirable, but for some reason the administration blocked nearly every move made to make them effective.

The new study to be authorized by the joint resolution will not hasten release of Indians to manage their own affairs. In my opinion it will delay it. The Indian Bureau representative told the Senate committee that the Bureau did not have the staff to make this investigation, and would have to make contracts with schools or outside consulting agencies to do the work. Obviously, neither the schools nor the consulting agencies would be prepared to do this work as well as the Indian Bureau itself. It should also be remembered that we are now facing a manpower shortage.

Indian and native race tribes are scattered all the way from Point Barrow, in Alaska, to the Florida peninsula, and east and west across the country. It would be a mammoth undertaking to study in the field each of these Indian tribes. Obviously, the only other place to get the information is from the files of the Indian Bureau and from the Indian administration itself. It should be clear that outside institutions would have to be educated to do this job. It would take years to accomplish the investigations proposed, and in the meantime all Indian legislation would be held in abeyance until the study had been completed. Action on studies and recommendations already made, and not new investigations, is the need of the hour.

The resolution authorizes the use of \$50,000 out of funds appropriated for the benefit of the Indians. In addition, there is an authorization to use, out of the funds to be appropriated for the Indian Bureau, whatever funds are deemed necessary to carry out the purposes of this joint resolution. This is an open-ended authorization. Some of the money which would be used would be furnished by the Indians themselves. Obviously, the Indians should be heard from before this proposed legislation is enacted.

Indians are badly in need of all appropriations which have been made or are likely to be made in the future. To take money from their needs for sustenance, health, and education to make a study to get information which should be, and is already, in the possession of the Indian Bureau, certainly is not in the interests of the Indians. Indian associations complain that the Indians themselves who would be the most affected did not have an opportunity to appear before the committees which considered this measure. They say it was rushed through committee.

I think I have said enough today to indicate that this measure should not be enacted on the Consent Calendar, but should have the fullest debate. As chairman of the Subcommittee on Indian Affairs for 2 years, I had an opportunity to study many of the Indian tribes at first hand and to note their rate of progress. As a result of my studies, I have come to the conclusion that what is needed now is action on recommendations that have already been made, and not new investigations. Therefore I object.

Mr. WATKINS. Mr. President, the Indian Bureau's letter of April 5, 1951, says that it is impossible as yet to point to any material or noticeable improvement in health conditions on the Navajo Reservation as a direct result of the Navajo-Hopi rehabilitation program established by the Eighty-first Congress. It decries the shortage of hospital and health facilities. It speaks of the shortage of medical and nursing personnel, and says that it is difficult to get and keep competent physicians and nurses, because of low pay and other factors.

One of the tabulations attached to the letter shows that \$742,300 was made available by Congress for hospital and

health facilities for the fiscal year 1951. Through February 1951 only \$83,550 of this amount has been obligated. The report does not show how much has been expended in the 8 months since this money became available.

I request unanimous consent to place in the RECORD at this point my remarks on the article from yesterday's issue of the New York Times entitled "Death and Disease Reflect Neglect of American Indian." The article was written by Dr. Howard A. Rusk. Dr. Rusk is a medical doctor with long and varied experience as a practicing physician, a medical-school instructor, a hospital official and administrator. He is an expert in medical rehabilitation and holds the American Design Award for his work in that field. He was awarded the Distinguished Service Medal for his wartime work as an officer in the Medical Corps.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEATH AND DISEASE REFLECT NEGLECT OF AMERICAN INDIAN—CONDITIONS ON RESERVATIONS FOUND PITIFUL DESPITE VAST FEDERAL EXPENDITURES

(By Howard A. Rusk, M. D.)

In a program that has almost universal approval of our citizens, the United States, through its contribution and participation in the World Health Organization and other international groups, is aiding health programs throughout the world. In addition, we are conducting a number of unilateral health-assistance programs with various nations under the Economic Cooperation Administration.

Ironically, however, we are neglecting the health of a group for whom we, as a Nation, have a special responsibility, the American Indian. Some of the world's worst health conditions are to be found on Indian reservations, but, as compared with the vast sums being spent on assistance to persons abroad, we spent only \$58,000,000 in 1949-50 for the work of the Bureau of Indian Affairs, and only \$12,000,000 of this for health and medical services.

Contrary to popular conceptions, American Indians are citizens, and have been since 1924; all Indians do not get a check monthly from the Federal Government; Indians pay taxes except on real and personal property, and the American Indian population is increasing rather than decreasing. Our Government wardship of the Indian is not charity, but a legal responsibility incurred by treaty for vast Indian lands sold to the Government.

Here is how we have carried out our stewardship:

1. Compared with an over-all tuberculosis death rate of 33.5 in 100,000 among the general population in 1947, the rate was 336 for Indians in North Dakota, or 10½ times higher than among whites, and 302 among the Navajos, or nine times higher.

2. In 1948, the infant mortality rate for the Nation was 32 in 1,000 children born; among Montana Indians it was 116; among the Navajos, 227.

3. Typhoid occurs four times more frequently among Indians than among the general population.

4. Trachoma, which has largely disappeared among the general population, is increasing in several Indian tribes.

5. Pneumonia death rates were 8 to 1 higher in Nebraska and 17 to 1 higher in Wyoming among Indians than among non-Indians in the same States.

6. Corrective dental service for Indians is so limited that only emergency work for school-age children is provided.

7. Despite the general lack of needed beds, 1,055 of the Indian Service's hospital beds are closed by lack of funds.

At present, the Indian Service operates 62 hospitals in the continental United States and Alaska, varying in capacity from 18 to 400 beds. Many are in isolated areas far from centers of population. Few are so situated that a consultant medical service is available. In many, there is only one physician who must serve 24 hours a day, 7 days a week at least 11 months a year.

For example, on the 1,620,000-acre Cheyenne River Reservation in South Dakota, two physicians handle a hospital and five field clinics, two of them more than 100 miles from the hospital.

From June to December, a 104-foot converted Army barge plies the west coast of Alaska from the Aleutians to Norton Sound, bringing many villages their only medical services. A similar barge covers the southern coastal villages, and a river boat as much as it can of the 2,000-mile-long Yukon River.

DOCTORS DIFFICULT TO GET

Of 200 physicians needed for staffing these 62 hospitals, the Indian Service has funds for employing 157, and had actually been able to recruit only 127 until recently. In addition to its lack of funds, the Service has always had trouble recruiting personnel, because of the isolation and lack of living quarters, technical personnel and opportunities for periodic refresher courses. Salaries for physicians are extremely low, ranging from \$6,400 to \$7,600 a year, with small periodic increases.

This situation has been somewhat relieved recently as the United States Public Health Service has been able to assign some 50 young doctors to the Indian Service. These are primarily young doctors liable for military service who have volunteered to serve their tour of duty with the Public Health Service rather than the Armed Forces.

Despite the glaring difference in death rates in certain diseases between the Indians and the general population, there has been a decided reduction in death rates from other diseases, particularly those in which vaccination is effective, such as typhoid, smallpox, and diphtheria. As a result of the educational work of public health nurses, approximately 80 percent of all Indian children are now born in hospitals. During the last 2 years 34,000 Indian school children have been tuberculin tested, and nonpositive reactors have been vaccinated with BCG. Either through the cooperation of State health departments or through the Indian Service's Mobile Sodium Fluoride Unit, direct application of sodium fluoride as a dental caries preventive is being greatly expanded.

The primary need, however, is for an organized program of preventive medicine through public health services. Forty percent of Indian hospital beds are occupied by cases involving preventable or controllable diseases. As Dr. Haven Emerson, noted public health authority and honorary president of the Association of American Indian Affairs, has noted, "Medical science has the answers, but we withhold the dollars to curb disease originally given the Indians by us." We could well practice some of our point 4 philosophy in our own backyards.

Mr. WATKINS. Dr. Rusk's article contrasts our interest in international health activities to our neglect of the American Indian. It points to the fact that while our global planners mouth pious slogans and shovel American dollars down a thousand rat holes all over the world the American Indian continues in poverty and disease. Thus we have point 4 for the Hottentots and poverty for the American Indian.

I have no quarrel with the humanitarian aspects of point 4 and ERP and the other foreign-aid programs. Poverty and disease are evils which we must combat wherever they exist. I do insist, however, that while we look overseas for areas which need help, we must not overlook the cesspools of poverty and ill health which exist here at home.

I am determined that insofar as I am able the Navajo-Hopi Indian rehabilitation program shall be followed through to a successful conclusion.

The letter which I have received from the Commissioner of Indian Affairs in response to my inquiry may well serve as a preliminary report, but it should be regarded only as the beginning and not the end of our responsibility to see that the Navajo-Hopi Rehabilitation Act is properly and effectively administered.

RESOLUTION TO OBTAIN FACTS ON THE FAR EASTERN SITUATION

Mr. FERGUSON. Mr. President, earlier today I obtained permission to place in the RECORD a concurrent resolution (S. Con. Res. 22) which was sent to the desk for appropriate reference. The resolution calls for the appointment of a 12-member bipartisan committee, with two representatives from the Appropriations, Foreign Relations, the Armed Services Committees of the House and of the Senate, to look into the problems and policy of the United States in the Pacific. The Senator from Michigan at that time also filed a statement, not knowing whether he would be able to get the floor at all today, because of the unanimous-consent agreement limiting debate today. I now wish to expand upon my reasons for introducing that resolution, and to explain what I consider to be its great importance.

The Senator from Michigan feels that Communist aggression is global in its nature. It is not limited to Europe, it is not limited to Asia. It is a global matter. America, by its geography, is in the middle of its European and Asiatic phases. Between us and the Asiatic phase we have the Pacific Ocean, but our interest is not diminished by our interests in the Pacific islands. We have between Europe and America the great Atlantic but we have come to think of the common interests of the Atlantic community. We are, in sum, interested in the world aspects of Communist aggression, as it affects our national aspiration for a world of peace and freedom.

We know that communism represents a force which is not only designed to penetrate other countries, with the methods of the fifth column, but even to use the satellite armies as an agent for aggression. The Senator from Michigan believes that under certain conditions communism anticipates that it will use its own Red Soviet Army, its final aggressive force.

We have heard much in recent weeks and months about the European theater, and the possible threat of Communist aggression there. Just last week the Senate reached its final conclusion on certain lengthy testimony from persons who are familiar with and in-

terested in the North Atlantic Pact, a treaty whose chief object was to stop aggression by communism or Sovietism in the Atlantic and various places connected with the European countries, on the Atlantic.

Mr. President, with respect to the European situation this Congress had the privilege of listening to and being advised by the great Gen. Dwight Eisenhower, who had spent some time as commander in chief of the Army which is being set up under the Atlantic Pact. We listened to him with profit, I am sure. Likewise it was arranged for General Eisenhower, under the sponsorship of the administration, to speak to the entire Nation through radio and television hook-ups. In addition, the Foreign Relations Committee of the Senate, the Committee on Foreign Affairs of the House, and the Armed Services Committee of each House heard General Eisenhower in closed session.

The Senator from Michigan believes this is one of the ways by which the people of this great representative Republic are enabled to obtain the facts, that they may know what is going on, in order that they may be able to advise with their Congress and with their Executive, so that they may determine what the issues are, what the facts are, and arrive at well-formed conclusions.

Mr. President, there is no greater issue for these times than, What are the facts? That is the issue. As I have said, we have had the privilege of obtaining the facts on the European situation. I think that the public, by reason of the debates upon the Senate floor, the extensive hearings before joint committees, and as a result of the joint session of Congress with General Eisenhower and his radio and television broadcasts, has been getting the facts as far as the European situation is concerned.

I wish to leave with the Senate today the strong feeling of the Senator from Michigan that the matter of Communist aggression is global in character, and, that being the case, we should obtain the facts on a world-wide basis. That means, in turn, that we should not confine our fact-finding to the European situation or any other theater. We need all the facts, as they apply to the world situation, so that they can be integrated and a balanced program arrived at which will protect this Nation's security realistically and effectively in the face of what we determine to be the full facts regarding the threat of Communist aggression.

In particular, I believe that we should fully inform ourselves with regard to the far eastern situation. There is strong evidence that the situation there is rapidly deteriorating. Speaker of the House RAYBURN had some ominous things to say about that situation, and I am sure he spoke with knowledge. The statements of General MacArthur, which have bespoken such a deep-seated controversy over the implementation of United Nations' objectives in Korea, are symptomatic of the deteriorating situation.

It is for that reason that I have offered the concurrent resolution today, and it is for that reason that I ask now

that this resolution be passed, for the purpose of appointing this committee, which may go to the Far East and obtain firsthand the complete and accurate facts.

It seems to me only logical that the first order of business for that committee would be to interview and question Gen. Douglas MacArthur, who, as the Senator from Michigan believes, knows a great deal about the Far East. General MacArthur has spent many years there. He is the supreme commander of the Allied forces in the Pacific and he is the supreme commander of the United Nations forces in Korea. He holds that latter position, of course, because America is contributing the preponderant share of the manpower and matériel in the United Nations effort.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Minnesota.

Mr. THYE. I believe that the very able and distinguished Senator from Michigan has put his finger on the exact question of what it is that concerns the people of America most as of this day. It is the question of what is happening in the Far East, and of what is going to happen next. Why are our boys in Korea? Why are they being shot up, when apparently there is not a sufficient number of boys from other allied countries in Korea with them?

We hear also of 120,000 South Koreans being discharged from active service. Some rumors are to the effect that there is no clothing for them, that they have no supplies, that the economy of South Korea will not support that army. All these are questions about which the American people are perplexed. That is indicated in our mail, in our telephone calls, and in personal questions asked of us by some of our constituents.

I believe the distinguished Senator from Michigan has put his finger on what is needed and what is necessary, namely, to get the facts, and to that end should either bring General MacArthur back to this country in order that he may tell the Congress and the American people in persons the facts, or else some Members of the Congress should go to Japan and learn about the matter first hand and return and give the information to the fathers, mothers, wives, and children of the servicemen in Korea, so that they may in some manner have a settled mind so far as those many worried persons are concerned.

I want to say, Mr. President, that I heartily support the idea which has been proposed in the resolution which the Senator has submitted.

Mr. FERGUSON. I thank the Senator for his remarks. In addition to underscoring the purpose of my resolution, he has pointed out one of the problems which I intended to discuss and shall later discuss as a very important subject of inquiry for the bipartisan joint committee I propose. I refer to the manpower situation of the Far East.

Mr. President, there are two methods of getting the facts so far as General MacArthur is concerned. One method is to have him come here, the other is for Members of the Senate to go there.

I have felt, and feel today, very strongly, that this is not the time to pull him out of the theater of war, that it is much more convenient and that it is better that we adopt a second method and that we go there. This is desirable not only as it pertains to obtaining direct testimony from General MacArthur, but as it will permit the Congress to obtain other pertinent information on the far eastern situation through direct and accurate observation.

It is not unusual for committees to go out into the various theaters to obtain facts upon which Congress can base policy and legislation. We have, for instance, the "watchdog committee" on ECA. I have been on investigations in the field involving many portions of the globe. These are invaluable extensions of the fact-finding process in the legislative branch. We need now not only the facts which General MacArthur may be able to provide, but facts from the men at the front and from other generals who know what is going on. That is the purpose of my resolution.

Mr. President, there are some persons who will say that Congress is not concerned with military strategy, that it is involved only in the passage of legislation that will equip and supply the Army with means. But, Mr. President, from time immemorial and in line with its constitutional functions, Congress has been involved in policy, such as whether war should be declared, how we should appropriate, and for what purpose, and how we should conduct ourselves upon the diplomatic front.

That this is a resolution considerably beyond any question of military strategy or tactics is reflected by the fact that the Vice President today has referred the resolution not to the Armed Services Committee, which would be concerned with its military aspects if they were predominant, but to the Foreign Relations Committee, which has to do with the foreign policy of America.

Now I realize that in the late 1930's and in the 1940's in this country we have seen a great tendency on the part of the administration to divorce Congress, and particularly the Senate, from the control it formerly exercised over the foreign policy of the United States. We are continually facing the proposition, as we did with reference to the agreements at Yalta, at Tehran, at Quebec, at Casablanca, and at Potsdam, of the Executive divorcing foreign policy from the Congress. More and more we have found that executive agreements are made by the President, without the knowledge or advice or consent of the Senate of the United States. They are made in that way instead of by using the regular method contemplated by the Constitution of the United States, namely, by treaty, by and with the consent of the Senate.

Those executive agreements are probably the most notable examples of bypassing congressional responsibility in foreign affairs, but the past decade and a half has been a history of steady chiseling at the role of Congress in developing and implementing foreign policy. I, for one, believe we should bend every effort to reverse that trend.

I do not believe in the omniscience of any Executive and I believe our national interest and security will be served by a reassertion of congressional responsibility in foreign affairs. But Congress cannot act intelligently or effectively if it does not have the facts. That is why I propose that Congress should equip itself with all the facts on the far-eastern situation.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WATKINS. Is it not a fact that the present action in Korea which has been described as a police action is not yet of the stature of a war?

Mr. FERGUSON. That is the way in which it appears from the record.

Mr. WATKINS. As a matter of law, that is the way it appears, unless we take it for granted that we are in a state of war created by what has happened without a declaration of war.

Mr. FERGUSON. That is correct. And so I ask, Should not the Senate and the people of the United States be interested in trying to determine, if possible, how much longer the war will go on as a police action before it becomes a war, or whether it should be declared to be a war, so that we can take the necessary steps to accomplish whatever we are trying to accomplish over there? If the United States, as a member of the United Nations which nominally is prosecuting the military effort in Korea, is to advise in connection with the carrying out of what should be done, then certainly the Senate and the Congress should be advised as to what are the facts and what we might anticipate the policy should be.

As the Senator indicates, whether or not it is a war or not a war, we can pass upon the fact. I am trying to suggest how this Congress can ascertain the facts with relation to the global problem of Communist aggression as it concerns the Far East and other places in the world. We have received much advice from the European theater. I say the time has come when we must receive the facts and know what is going on in the Far East and the Pacific theater.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. I should like to say to the Senator from Michigan that I hope he will be a little more successful with his resolution which has been referred to the Foreign Relations Committee than was the senior Senator from California 3 years ago when he submitted a resolution asking that a joint committee be appointed to go into our Far Eastern policy. Although hearings were requested, no hearings were held, and that at a time when we might have avoided some of the difficulties which have arisen.

I also wish to say to the Senator from Michigan that, as he so well knows as a member of the Appropriations Committee, the committee, by unanimous vote of both Republican and Democratic members, requested the Secretary of State to make available to the members of the committee the Wedemeyer Report on Korea. That report was denied to the committee by the Secretary of State.

I agree with the Senator that what we need is facts. The Senator has proposed one method of getting them. I believe that in addition to the method suggested by the Senator there is a way in which we can get the information to which Congress is entitled, namely, if the Committee on Appropriations would insist upon having adequate information on which to base its decisions, I believe there is sufficient power in the committee, if it will insist upon its right to information, to get some of the facts to which the Senator refers.

Mr. FERGUSON. I appreciate the Senator's remarks, and I recall what happened to his earlier proposal. I realize that the Committee on Appropriations could insist and demand that certain persons come out of the Far East so that we may obtain their views through testimony. I think it is better, under the circumstances, that we go there with a bipartisan committee representing the various committees in the Senate involved in the problem. I think that in that way we would get more and more and better facts than we would get if the Appropriations Committee requested them at hearings in Washington.

But should the Committee on Foreign Relations see fit in its wisdom to do as it has done with the resolution offered by the Senator from California, of course, the Committee on Appropriations would have jurisdiction and could insist upon the facts. I want to say that hope springs eternal in the human breast, and I feel, therefore, that the Senate might be able to get out of the Committee on Foreign Relations a concurrent resolution of the sort I have offered. I can see no objection to it, because it would be a bipartisan effort to get only facts. If we fail in such action, then I would like to see the second alternative, of calling for such testimony as we can obtain before a committee here in Washington.

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. FERGUSON. Yes.

Mr. KNOWLAND. I do not want the Senator to misunderstand me. If the information is desired from General MacArthur and other officers, such as General Ridgeway and Admiral Radford, and many others who are in the area, while it is quite a problem, I think the procedure is a better one than having the responsible officers come to Washington. The Senator will recall that some 2 years ago, long before the outbreak of Korean hostilities, the Committee on Foreign Relations and the Committee on Armed Services, sitting jointly, by a vote of 13 to 2 voted to ask General MacArthur to return. That was before the situation in the Orient had become as hot as it is today. The general at that time, as the Senator will recall, respectfully declined, unless he was directed to come back by his Commander in Chief, the President of the United States. The President and the Department of National Defense did not see fit to direct him to come back. I have no complaint with respect to the decision which was made. Therefore I believe that the Senator's approach is more sound than would be a proposal to bring

General MacArthur and other responsible commanders from the Far East at the present time.

I wish to make one final observation, and then I shall not interrupt the Senator again. The only hesitation I would have—and it is not an objection to the resolution—is that I believe we have delayed so long that even if there were expeditious action by the Committee on Foreign Relations I do not know whether there would be sufficient time to make the type of investigation which the Senator feels should be made, in order for the Senate to have the facts. The father of the senior Senator from California served in the House of Representatives a good many years ago with the gentleman who is now the Speaker of the House, SAM RAYBURN. I have a very high regard for the Speaker. I do not believe the Speaker would have made the statement he made on the floor of the House only a few days ago unless he had been adequately informed as to the seriousness of the situation which now faces the Nation and the world. I believe that he made it very advisedly. I believe the statement has far more significance than has yet been attributed to it by the country and perhaps even by the Members of Congress.

The only question I would raise so far as the Senator from Michigan is concerned is as to whether at this late date there is sufficient time to gather the information which the Senate of the United States should have in making some of the great determinations which I think are immediately ahead of us.

Mr. FERGUSON. I thank the Senator.

Mr. WATKINS. Mr. President, will the Senator yield for an observation?

Mr. FERGUSON. I yield.

Mr. WATKINS. I agree with what the Senator from California has stated. It seems to me that the investigation could bring back to the Senate and Congress information which we should have had before us when we were debating the troops-to-Europe issue, which has recently cleared this body.

If the conditions in the Pacific are as bad as they appear to be there ought to be some reinforcement sent to General MacArthur and his gallant troops, who have been fighting for such a long time without any relief. They should be given relief. We should have had the information. We should know first hand from the general what the situation is. We should have had it before us before we made the decision on the troops-to-Europe issue. It seems to me now, and I feel very strongly about it, that the President of the United States ought to delay sending of troops to Europe until we have a clarification of the situation in Asia.

Apparently the Communist enemies of the United States and of all the other free nations of the world are determined to make a fight in Asia. Apparently they are not following the blueprint which many of our home-grown strategy boards had decided they would follow, namely, that they would first attack in

Europe. It seems to me that General MacArthur has made a real contribution, in pointing out in his letter that the attack apparently is coming in Asia and that Asia is the section of the world that we must watch at this time.

I commend the Senator from Michigan for offering his resolution, and I hope he will be able to get it out of committee, although I have not had much luck in getting anything out of the Committee on Foreign Relations. I hope he will be successful and we will be able to get the facts which we should have had long ago.

Mr. FERGUSON. I thank the Senator. His remarks indicate that time is of the essence. I agree with him and the Senator from California that no time should be lost. I am not discouraged by the fact that it may be difficult to get the resolution out of the Committee on Foreign Relations. On merit alone I believe it deserves to come to the floor of the Senate. I believe Congress should have an opportunity to pass on it.

A precedent may be cited to the effect that when the Chief Executive felt he wanted to obtain information concerning the Far East there was only one man to whom he could go. As a result he flew many thousands of miles into the Pacific, so that he might have an opportunity to confer with the man in charge. The same gentleman who provided the President with the facts he sought should now give the facts to Congress. That gentleman is Douglas MacArthur. According to press reports, the President spent almost an hour with the general. He must have conferred with him in order to obtain the facts. A much more thorough examination of the facts would be made, and, of course, much more time would be consumed by a Senate committee. The committee could then bring the facts back to the American people and to the Congress for its guidance.

Mr. President, we are talking about the question of whether or not it may be too late to obtain the facts. May God grant that it is not too late. The more quickly we obtain the facts, the more quickly can we stem the tide of Communist aggression and protect our national security.

It is said that perhaps reinforcements should be rushed to the Pacific. That brings up a problem which I think deserves some comment at the present time. It is a serious problem to all members of the United Nations, as well as to the American people. The Senator from Minnesota [Mr. THYE] earlier in the course of my remarks touched upon this situation.

On March 31, of this year, the New York Times printed a special dispatch, sent to it by its correspondent, George Barrett, from Taegu, Korea, to the effect that 120,000 men had been released from military service by the South Korean Government because the Government could not equip them, or even feed or clothe them.

Mr. President, I ask unanimous consent that at this point in my remarks there may be printed the dispatch to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOUTH KOREA LETS MANY RESERVES GO—ARMY, UNABLE TO FEED "STAND-BY" POOL, RELEASES 120,000 MEN UNDER ASSEMBLY PRESSURE

(By George Barrett)

TAEGU, KOREA, March 30.—South Korea is beginning to release some of the men in its army reserve camps because the Government cannot equip them or even feed or clothe them.

Confronted by a dangerously spiraling inflation and with very little funds in the treasury, the Defense Ministry reluctantly put out orders permitting 120,000 men between the ages of 26 and 40 to return to their farms and villages. If the economic crisis worsens, the Army may be compelled to authorize other more drastic releases from the special reserve pool of manpower it has been keeping in its "stand-by camps."

The inability of the Army to utilize any of its immediate manpower reserves of 400,000 men who had been rounded up by the Government to prepare for the fight against the Communist armies, has become one of the top political issues here. It has shaped up into a quarrel that is helping to widen the chasm between the National Assembly and the administration of President Syngman Rhee.

The propaganda perils inherent in any kind of demobilization program for the South Korean Army, whatever the causes may be that make it necessary, are obvious to all Koreans when they see troop replacements continually coming into the country to fill up the ranks of fighters from 13 foreign nations. President Rhee has told the United Nations that he is prepared to supply 500,000 men in addition to the 250,000 South Koreans who are now fighting and he has repeatedly asked for guns to arm at least some of the 100,000 of the National Guard, the first echelon of the army reserves. But it is the 400,000 "stand-by reservists" waiting in collection camps for formal induction into the Army who have produced the storm in the Assembly and forces the Defense Ministry to take steps it would rather not take.

VOLUNTEERS ROUNDED UP

The 400,000 from whose ranks 120,000 are now to be released are officially called volunteers. They were rounded up last November and December when the Chinese began their heavy drive southward and were placed into collection camps to keep them out of the hands of the enemy and provide a central pool of manpower for the South Korean Army.

The Government was confident that the arms it needed to equip the additional units would be forthcoming without long delay and so the men were kept in camps. But as each week went by, it became increasingly apparent that even the 100,000 uniformed members of the national guard were having trouble getting arms.

With the country itself continuing on the economic down grade, the volunteers in the camps became a major problem. Complaints began to be aired in the National Assembly that most were suffering from malnutrition and cold and that their families almost equally hard up because the men were getting no pay.

It was disclosed today officially that at least 30,000 of those being released were sick and a query brought the official reply from the army that the illness was malnutrition, which the army declares the men had been suffering from when they had been picked up and put into the camps. It has been openly charged in the Assembly that some 20,000 of the volunteers died this winter in the camps.

The Defense Ministry, painfully short on money, is already having difficulty in paying the troops of the regular army—50 cents a month for a private and \$12 monthly for a lieutenant general—and the additional problem of supplying clothes and food for 400,000 future soldiers is an enormous one.

When the complaints began pouring into the Assembly concerning the sorry condition of the collection camps, there were some acrid comments from the floor and these increased fast when the Assembly unsuccessfully tried to pin down the responsibility and correct the condition.

The Ministry of Social Affairs told the Assembly that it could do nothing about the men in the camps because, technically speaking, they were not refugees, and the Ministry of Defense told the Assembly that the camps were, technically speaking, not yet an official part of the army. An irate Assembly has now twice, almost unanimously each time, voted to recommend that all those in the camps who cannot be adequately cared for be returned to their homes.

Mr. FERGUSON. Mr. President, those soldiers were released because they could not be equipped or fed. The New York Times saw fit on April 1 to write an editorial on the subject, and I want to read the last paragraph of the editorial:

It has been repeatedly said that the United Nations was in an unfavorable manpower situation in Korea. Member states have explained, with complete cogency, why they could not dispatch further troop contingents. But it is now apparent that the available manpower resources have not been put to use and that they are actually being allowed to dissolve. There may have been reason for hesitation in the past. There is certainly no excuse for it now.

Mr. President, so far as the United States is concerned the manpower situation has been that we have kept our soldiers fighting in Korea day and night, week after week, and month after month, without rotation, because we understood that manpower was so short. Now we learn that additional manpower was available in Korea. And on good authority I say that the New York Times article I have referred to underestimates the manpower reserves available in South Korea. I say upon the floor of the Senate today, upon exceedingly high authority, that the Koreans had manpower available in camps to the extent of well over a half million. As many as 250,000 of them were relatively well trained. They were men who knew the country, men who could go up the mountainsides, men who were physically strong and mentally alert enough to bear arms. But they lacked arms.

The President of the Republic of Korea has been trying to obtain arms from the United States and the other members of the United Nations with which to defend his country, but the men who wanted to fight to stop aggression in their own land could not obtain those arms. Upon exceptionally high authority, I say to the Senate this afternoon that they were willing to fight and wanted to fight to stop aggression. They even went out into the markets of the world to try to buy arms, when the members of the United Nations did not furnish arms to them.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WATKINS. The situation to which the Senator has called attention, involving 120,000 or 125,000 men from the South Korean Army who have been disbanded, is one of the things which the committee should investigate to find out the manpower situation, is it not?

Mr. FERGUSON. Absolutely. I am reciting this situation and what I know about it as an illustration of the field of inquiry which commands the attention of Congress.

Mr. WATKINS. Should we not consider whether or not we ought to appropriate more money to rearm South Koreans so that they can fight?

Mr. FERGUSON. The Senator is correct.

Mr. WATKINS. It seems to me that the more the Senator goes into this question and the more he finds of things that are unsolved, with respect to which we have only newspaper reports, the greater the necessity of getting accurate information so that we in the Senate may know what to do. We are depending entirely too much on hearsay and second-, third-, and fourth-hand evidence.

Mr. FERGUSON. The Senator is correct.

Mr. President, I believe the facts to be substantially as they have been stated. This subject was of sufficient importance to cause the New York Times to comment upon it editorially. But I learn the situation is even more deplorable than it was reported. It is bad enough that the South Koreans were unable to obtain from United Nations stocks of arms to equip this army of men, to help to fight the battle of freedom so that America and the other nations would have to furnish fewer men and might have relief through rotation. But what is worse is that no real explanation has been given as to why the arms could not be furnished, and, moreover, the South Koreans have been prevented from buying their own arms to the limit of their ability to equip themselves.

Mr. President, South Korea, poor as it is in financial resources, has even gone to Canada to buy rifles; and it has not to this day been able to buy rifles in Canada. It has not been able to buy them in this country. I wonder how many rifles there are in the United States today which could go to the 250,000 trained men in Korea, and why we allowed those 120,000 men almost to starve in camp before they were released.

Mr. President, we are talking about manpower. The time has come when our allies on the battlefield who are ready, able, and willing to fight for the cause for which our boys are fighting and dying should be fed and given muskets. I am satisfied that these young men of Korea could satisfactorily go into the mountains and fight, if only as guerrillas to harass the enemy and to aid our men and save their lives.

Mr. President, I felt so keenly about this question that last Friday, I sent identical letters to the Secretary of

State and to the Secretary of Defense asking for an explanation as to what the political consideration was for refusing to furnish arms to these people, and why the available manpower was not being used. I now ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the letter which I sent to the Secretary of State and to the Secretary of Defense.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MY DEAR MR. SECRETARY: I have noted with deep concern a dispatch to the New York Times from Taegu dated March 30, which appeared March 31 under the headline "South Korea lets many reserves go." The text of the dispatch refers to the fact that South Korea has "immediate manpower reserves of 400,000 men, who have been rounded up by the Government to prepare for the fight against the Communist armies," and it also states "the [South Korean] Defense Ministry has reluctantly put out orders permitting 120,000 men (out of the 400,000) to return to their farms and villages."

It is also indicated by the dispatch that an additional "100,000 members of the (South Korean) National Guard, the first echelon of the army reserves" are ready for active service but have not been put into action because guns have not been supplied them.

My concern in this matter has been given expression independently, I now learn through the press. I am informed that General MacArthur has been requested, in a telegram from the editor of the magazine Freeman, to state "Why do we fail or refuse arms to 400,000 South Korean draftees as reported in the New York Times, March 31."

I also understand that General MacArthur has wired a reply to that inquiry to the following effect: "There is nothing I can add to the information therein contained (in the New York Times dispatch). The issue is one determined by the Republic of Korea and the United States Government, and involves political decisions beyond my authority."

My immediate inference from the communication of General MacArthur is (1) that use of the South Korean reserve forces would not be undesirable militarily; and (2) that from his position as military commander it would not be infeasible to provide them with necessary arms in order to employ them. I draw these inferences because the form of the inquiry directed to General MacArthur permitted him to deny both propositions on military grounds, which he did not do.

I am addressing you to inquire what the political considerations may be that stand in the way of using these South Korean reserve forces, and what reasons, if any, there may be for not resolving such issues to the end that those forces can be employed.

The dispatch referred to states: "The propaganda perils inherent in any kind of demobilization program for the South Korean Army, whatever the causes may be that make it necessary, are obvious to all Koreans when they see troop replacements continually coming into the country to fill up the ranks of fighters from 13 foreign nations."

I have no doubt of your concern for the effects of this sort of propaganda in Korea. I feel, however, that the issue is much more intimate to us in this country, when we are assuming such a great proportion of the burden in the Korean struggle, and particularly at a time when we are extending the military draft and otherwise assuming the greater burdens for defense against possible Communist aggression in other theaters. I simply do not think it sits well with the American public to think that we are incurring more and more casualties in Korea and

calling up more and more men for military service when employable manpower from the very country we are fighting for is not being used.

I am also sending the same text of this letter to the Secretary of Defense (State) for such reply as his office can provide.

With best personal wishes, I am,
Sincerely yours,

HOMER FERGUSON,
United States Senator.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. GREEN. Does the Senator wish to read the letter to the Senate?

Mr. FERGUSON. I shall be glad to read it. Does the Senator wish to have it read?

Mr. GREEN. No.

Mr. FERGUSON. I thought I would save time by inserting it in the RECORD without reading.

Mr. KEM. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KEM. I am interested to know whether the Senator from Michigan has received a reply from the Secretary of State or the Secretary of Defense.

Mr. FERGUSON. No; I have not received a reply, although I have talked to the Secretary of State since his receipt of my letter and he has said that he would like to speak to me about the letter before making a formal reply. The Senator from Michigan expects to see the Secretary of State upon this particular matter. Incidentally, it was since writing the two Secretaries that I have received competent information indicating an even larger manpower reserve in South Korea than referred to in my communications to them, and that I received the information on the unsuccessful efforts of the South Koreans to buy their own arms in this country and Canada.

Mr. KEM. I was particularly interested in asking the Senator from Michigan that question because several weeks ago I addressed a letter to the President of the United States inviting his attention to evidence that large quantities of war material and war goods were going to Russia and her satellites, as well as to Communist China, through Hong Kong. I asked the President to request the Security Council to invoke its powers to act in the interest of the security of the United States, or at least to cut off our gifts to the countries which are shipping war goods to our potential enemies. I will say to the Senator from Michigan that I have received no reply to my letter. I wondered if the Senator from Michigan was in the same position with respect to his correspondence with the Secretary of State and the Secretary of Defense.

Mr. FERGUSON. I will answer the Senator from Missouri by saying that I anticipate much better luck than he has had on this question. I appreciate the purposes of the Senator in his letter to the President and the efforts he has made in the same direction on the floor. I have joined him upon occasion in an effort to see that no military aid or strategic material was furnished to Russia. What I am pleading for today is that we

furnish military aid and assistance to those who are willing to put their shoulders to the wheel to which we have our shoulders in the mud and grime over in Korea.

Mr. President, I stood on this floor shortly after the opening of the Korean war—now called a police action—and advocated the use of Asiatics in the battle to stop Communist aggression. I suggested to the Senate and to the State Department, as well as to the United Nations, that it would be well for them to consider General Romulo as the leader of the Asiatics in the battle to stop aggression.

Mr. President, I found at that time opposition instead of enthusiasm for the idea of using the natives whom I call Asiatics. The fact that I call them Asiatics is no reflection upon them at all. It is the same as if they were to call our boys Americans. They are from the continent of Asia and from the Pacific islands that are related by culture and history to the continent of Asia.

Since I had taken several trips through the Asiatic and Pacific regions I felt that there was great need for the use of Asiatic troops in the Korean theater. The expression "Asia for the Asiatics" has taken deep roots and has great propaganda appeal in Asia. I felt that if by enlisting the help of Asiatics we could demonstrate to the other Asiatics, and to all the people of the world, that there was not involved in the question of white man's imperialism; that we were standing shoulder to shoulder and fighting with Asiatics in an endeavor to stop Communist aggression, it would be a great deterrent to the Communists and their propaganda.

Mr. President, I feel now as I did last summer that if Asiatics had been used in greater force and with greater authority in the Korean effort of the United Nations the Chinese would not have had ground for the claim they made, and would not have come into the war. Now the Chinese say they are going to continue to fight until they push every white man out of Asia.

Mr. President, why are we not using 500,000 Asiatics, 250,000 of them well-trained and ready to go into battle if only rifles are placed upon their shoulders and artillery given to them? Is it because they are Asiatics? Are there some members of the United Nations who do not want to use these people to obtain their own liberty and their own freedom? I am sure the mothers, fathers, brothers, and sisters of the men in our forces in Korea and those being called for service there, as well as Members of the Congress of the United States, and those in the executive branch of our Government, are not opposing the use of these people merely because they are Asiatics, because we want no glory, we want no praise for stopping aggression. We simply want aggression stopped.

That is one reason, Mr. President, why I have proposed to the Senate that we act immediately upon the resolution, to form a bipartisan committee of the House and Senate, from the six interested committees, so that they may im-

mediately go to the far eastern front and determine the full facts of the situation there. There is, as I said before, precedent for such action to be taken. Even the President of the United States has sought advice by going to that theater. We have received prolonged advice on the European situation. Having in mind that communism is a global, over-all world program of aggression, we must know also the facts concerning the Far East, so that we may be guided correctly in times of great peril to this Nation. That is the purpose of my resolution and I hope that we can look forward to its speedy approval. It is imperative that we inform ourselves of all the facts, and delay is dangerous.

NEVADA LANDS TO BE IRRIGATED FROM THE COLORADO RIVER

FIVE PROJECTS—NOS. 1, 2, 3, 4, AND 5

Mr. MALONE. Mr. President, I am today introducing five bills for the irrigation of southern Nevada lands located near Lake Mead in Clark County, Nev.

THE FIVE NEVADA PROJECTS

Mr. President, I ask unanimous consent to have inserted in the RECORD as a part of my remarks the following description of the projects numbered one to five, containing a gross area of 189,460 acres.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Project No. 1 contains a total of 7,660 acres in the following seven areas:

Area No. 1: 1,300 acres in the Mesquite area irrigated from the Virgin River.

Area No. 2: 900 acres in the Bunkerville area irrigated from the Virgin River.

Area No. 3: 60 acres below Riverside station irrigated from the Virgin River.

Area No. 4: 1,600 acres just above Lake Mead.

Area No. 8: 2,800 acres near St. Thomas irrigated from Lake Mead.

Area No. 9: 600 acres in two separate tracts irrigated from Lake Mead.

Area No. 10: 400 acres irrigated from Lake Mead.

Project No. 2 contains a total of 20,600 acres in the following three areas:

Areas Nos. 5 and 6: 12,000 acres in the Muddy River and Meadow Valley Wash above Glendale and below Warm Springs irrigated from Lake Mead and the Muddy River.

Area No. 7: 8,600 acres including land now under the Muddy Valley Irrigation Co.'s canals with additional acreage irrigated from Lake Mead.

Project No. 3 contains a total of 61,200 acres in the following two areas:

Area No. 11: 1,200 acres, 14 miles east of Las Vegas, on a branch of the Las Vegas Wash, irrigated from Lake Mead.

Area No. 12: 60,000 acres lying in Las Vegas Wash, irrigated from Lake Mead.

Project No. 4 contains a total of 40,000 acres in the area southwest of Boulder City: Area No. 16: 40,000 acres, lying approximately 5 miles southwest of Boulder City, irrigated from Lake Mead.

Project No. 5 contains a total of 60,000 acres in the following three areas:

Areas Nos. 13, 14, 15: 60,000 acres, including bottom and bench land in the vicinity of Davis Dam, irrigated from the Colorado River.

Mr. MALONE. Mr. President, the five projects are shown in detail on map No. 4 which was made under my direction

as State engineer of Nevada and secretary of the Colorado River Commission on February 20, 1925—and which is included in the official report of the Colorado River Commission of Nevada, covering the period of January 1, 1927, to September 1, 1935.

THE COLORADO RIVER REPORT—1927 TO 1935

During the 8½-year period that the junior Senator from Nevada served as State engineer and engineer member and secretary of the Colorado River Commission for my State of Nevada, I directed the survey and the preparation of the "Report of the Colorado River Commission, including a study of proposed uses of power and water from Hoover (Boulder) Dam."

Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point as a part of my remarks the headings of the chapters of the report, numbers I to XII.

There being no objection, the matter was ordered to be printed in the *RECORD*, as follows:

Chapter I—General Conditions at Boulder Dam.
Chapter II—Manufactured Products and Markets.
Chapter III—Raw Materials.
Chapter IV—Power.
Chapter V—Power Transmission Lines.
Chapter VI—Nevada's Revenues From Boulder Dam Power.
Chapter VII—Reclamation.
Chapter VIII—Water Supply of the Colorado River.
Chapter IX—Financial Statement.
Chapter X—Boulder Canyon Project Act.
Chapter XI—Colorado River Compact.
Chapter XII—Appendix.

Mr. MALONE. Mr. President, the junior Senator from Nevada has delayed the introduction of proposed legislation providing for the consumptive beneficial use of the 900,000 acre-feet of the waters of the Colorado River which my State of Nevada has officially claimed, hoping that an interstate agreement between the lower basin States of Arizona, California, Nevada, New Mexico, and Utah might be consummated within a reasonable time. However, the population of the Nevada area has increased more than 10 times its original number during the period subsequent to the passage of the Boulder Dam Project Act in 1928, and the underground water supply is rapidly diminishing and the pumping lift is increasing at an alarming rate.

DOMESTIC-INDUSTRIAL WATER SUPPLY IN DANGER

It is freely predicted that unless additional Colorado River water supplies can be secured from Lake Mead and tributaries that the present population and industrial activities are in serious danger for domestic and industrial water supplies. One of the larger air training bases, Nellis Field, is being utilized almost to capacity by the Air Corps, and the war industrial manufacturing and processing plants at Henderson are being enlarged. New industries are being established.

Mr. President, the city of Las Vegas, Nev., is at this time officially trying to purchase an interest in, or gain title to, the one pumping plant from Lake Mead furnishing domestic and industrial water to the industrial plants at Henderson,

Nev. The plant can furnish approximately 33,000,000 gallons per day, while only about 40 percent is needed at Henderson.

SUBSISTENCE HOMESTEADS

Mr. President, much of the land proposed to be irrigated through the medium of the five projects would be available for subsistence homesteads—that is, relatively small tracts of 2 or 3 acres up to 5, 10, or 15 acres would be made available to the thousands of workers in war industries so they might raise vegetables and other farm products to supplement their wages and to carry them over any temporary slump in peak production.

POPULATION

With the development of the proposed irrigation projects and the full utilization of power available from the Hoover Dam and the Davis Dam, as well as power which may be secured from further upstream development of the Colorado River, including Bridge Canyon, southern Nevada could quadruple its present population within a very short time. The additional irrigated acreage would stimulate interest in the establishment of homes.

From 125,000 to 160,000 population may be expected in this area within a reasonable time, with the proper utilization of the 900,000 acre-feet of water, and the power from Hoover and Davis Dams, and other power that may become available in the future.

Mr. President, I introduce for appropriate reference and ask unanimous consent to have printed in the *RECORD* at this point as a part of my remarks, a Senate bill entitled "Nevada-Colorado River Project No. 1."

The bill (S. 1297) authorizing the construction, operation and maintenance of works diverting water from Lake Mead and tributaries on the Virgin River, formerly a tributary of the Colorado River, together with certain appurtenant pumping plants and canals, and for other purposes, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the *RECORD*, as follows:

Be it enacted, etc., That Nevada-Colorado River project No. 1, for the purpose of providing essential supplies of water for municipal, domestic, and industrial uses, and for the irrigation of public and other lands within the United States, and other beneficial purposes, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River compact, is hereby authorized to construct, operate, and maintain (1) a related system of main conduits and canals, including a main canal and pumping plant or plants for diverting and carrying Colorado River water from Lake Mead; and (2) such other drainage works as may be required to effectuate the purpose of this act.

Sec. 2. The Secretary shall have the authority to acquire, by purchase, exchange, condemnation, or otherwise, all lands, rights-of-way, and other property necessary for said purposes: *Provided*, That, anything herein contained to the contrary notwithstanding, the Secretary shall not have the authority to condemn established water rights or the water to the use of which such rights are established, or works used or necessary for the storage and delivery of such water to the use of which rights are established, or the right to substitute or exchange

water without the consent of the holders of rights or those entitled to the beneficial use of such waters as may be involved in the proposed exchange.

Sec. 3. The estimated cost of the construction of the said works shall be determined by the Secretary. The Secretary shall also determine (a) the parts of said estimated cost that can be properly allocated to flood control, navigation, fish and wildlife conservation, respectively, and any other purposes served by the project which may hereafter be made nonreimbursable by law, the sums so allocated, together with the expenses of operation and maintenance attributed by him to such purposes, to be nonreimbursable, and (b) (1) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States in net revenues from the delivery of water for such purposes; (2) the part of the estimated cost which can properly be allocated to municipal water supply and probably be returned to the United States; (3) the part of the estimated cost which can properly be allocated for industrial purposes and probably be returned to the United States; and (4) the part of the estimated cost which can properly be allocated to water supply for mining or other miscellaneous purposes and probably returned to the United States.

Before any construction work is done or contracted for, the Secretary shall first determine that costs allocated to municipal water supply, irrigation, industrial, mining, or other miscellaneous purposes as herein provided will probably be returned to the United States: *Provided*, That the repayment period for costs so allocated shall be such reasonable period of years, but in no event to exceed 75 years, as may be determined by the Secretary.

Sec. 4. The Secretary is authorized to supply water for municipal, domestic, irrigation, industrial, and mining purposes in accordance with the provisions of this act and the Federal reclamation laws.

Sec. 5. Contracts for the delivery of water for irrigation purposes shall provide for the delivery of such water at an identical price per acre-foot at the several points of delivery of water from the main canal and conduits herein authorized, and from such other points of delivery as the Secretary may designate. Such contracts shall be made with the State of Nevada, or with persons, firms, public or private corporations, irrigation, mining, industrial, or other districts, municipal or other political subdivisions thereof, in accordance with the reclamation law. No person shall have or be entitled to have the use, for any purpose, of any water delivered hereunder except by contract made as herein stated.

Sec. 6. The works provided for by the first section of this act shall be used: First, for irrigation and domestic uses; and second, for industrial and mining purposes, and satisfaction of present perfected water rights. The title to all works herein authorized shall remain in the United States until transferred to municipal, irrigation, industrial, or mining districts, as provided or may hereinafter be provided by Federal reclamation law, and the United States shall, until otherwise provided by law, control, manage, and operate the same: *Provided*, That the Secretary may in discretion enter into arrangements for the operation or use of a unit or units of said works with the State of Nevada or any irrigation district, reclamation project, industrial or mining district organized under State law, or other subdivision or agency thereof.

Sec. 7. The rights of the United States in and to the waters of the Colorado River and its tributaries for the use of which the works herein authorized are incidental, convenient, or necessary, as well as the rights of those claiming under the United States, shall be

subject to and controlled by the Colorado River compact.

SEC. 8. The United States in constructing, managing, and operating the works herein authorized, including the appropriation, delivery, and use of water for irrigation, domestic, industrial, mining, or other uses, and all users of water thus delivered and all users and appropriators of water carried by said canals, including all permittees, licensees, and contractees, of the United States, or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of the Colorado River compact and by the laws of the State of Nevada governing water rights wherever the same may be applicable.

SEC. 9. Nothing herein shall be construed as modifying or affecting any of the provisions of the treaty between the United States of America and the United Mexican States signed at Washington, D. C., February 3, 1944, relating to the utilization of the waters of the Colorado River and other rivers as amended and supplemented by the protocol dated November 14, 1944, and the understanding recited in the Senate resolution of April 18, 1945, advising and consenting to ratification thereof.

SEC. 10. This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized except as otherwise herein provided.

SEC. 11. Nothing herein shall be construed as interfering with such rights as the State of Nevada or any other State now has either to the waters within its borders or to adopt such policies and enact such laws as it may deem necessary with respect to the appropriation, control, and use of waters within its borders, except as modified by the Colorado River compact or any other interstate agreement.

SEC. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through pumping plants and necessary works to be constructed pursuant to this act for beneficial consumptive use in Nevada and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action. In any such suit or suits process directed against the United States shall be served upon the Attorney General of the United States.

SEC. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from Lake Mead and tributaries or the main stream of the Colorado River for beneficial consumptive use in Nevada, during the period of 6 months after the enactment of this act and during the pendency of any

suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act.

SEC. 14. Project No. 1 contains 7,660 acres including the following areas:

Area No. 1: 1,300 acres in the Mesquite area to be irrigated from the Virgin River.

Area No. 2: 900 acres in the Bunkerville area to be irrigated from the Virgin River.

Area No. 3: 60 acres below Riverside station to be irrigated from the Virgin River.

Area No. 4: 1,600 acres just above Lake Mead on the Virgin River.

Area No. 8: 2,800 acres near St. Thomas to be irrigated from Lake Mead.

Area No. 9: 600 acres in two separate tracts to be irrigated from Lake Mead.

Area No. 10: 400 acres to be irrigated from Lake Mead.

SEC. 15. Construction shall not commence, and no contracts therefor shall be entered into, on any portion of the project hereby authorized, if a Federal agency having jurisdiction over the allocation of materials and labor, or either, finds that the materials and labor, or either, necessary for the construction of the project are needed for national defense and by appropriate general regulation, order or otherwise suspends or prohibits their use for construction of the project hereby authorized, until such suspension or prohibition is rescinded or expires or control over the allocation of such materials or labor is no longer exercised.

Mr. MALONE. Mr. President, projects numbered 2 to 5, inclusive, are contained in exactly the same type of bill, except the difference in the areas, and the difference in the pump lift, which varies from perhaps 25 feet to as much as 350 feet, with no works necessary, except pumping plants. Transmission lines, and other facilities to furnish power for pumping and for other purposes is available at this time, mostly crossing the area that would be irrigated through the development of the projects or very near to such areas.

PROJECT NO. 3—SAME AS OTHER FOUR EXCEPT DESCRIPTION

Mr. President, I now introduce for appropriate reference and ask unanimous consent to insert in the RECORD at this point as a part of my remarks the Senate bills covering projects Nos. 2, 3, 4, and 5. The projects Nos. 1, 2, 4, and 5 are identical except the description of the lands to be irrigated and the source of the water supply.

The bill (S. 1298) authorizing the construction, operation, and maintenance of works diverting water from Lake Mead and tributaries formed by Hoover Dam, together with certain appurtenant pumping plants and canals, and for other purposes, introduced by Mr. Malone, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That Nevada-Colorado River project No. 2, for the purpose of providing essential supplies of water for municipal, domestic, and industrial uses, and for the irrigation of public and other lands within the United States, and other beneficial purposes, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River compact, is hereby authorized to construct, operate, and maintain (1) a related system

of main conduits and canals, including a main canal and pumping plant or plants for diverting and carrying Colorado River water from Lake Mead; and (2) such other canals, canal improvements, laterals, pumping plants, and drainage works as may be required to effectuate the purposes of this act.

SEC. 2. The Secretary shall have the authority to acquire, by purchase, exchange, condemnation, or otherwise, all lands, rights-of-way, and other property necessary for said purposes: *Provided*, That anything herein contained to the contrary notwithstanding, the Secretary shall not have the authority to condemn established water rights or the water to the use of which such rights are established, or works used or necessary for the storage and delivery of such water to the use of which rights are established, or the right to substitute or exchange water without the consent of the holders of rights or those entitled to the beneficial use of such waters as may be involved in the proposed exchange.

SEC. 3. The estimated cost of the construction of the said works shall be determined by the Secretary. The Secretary shall also determine (a) the parts of said estimated cost that can be properly allocated to flood control, navigation, fish and wildlife conservation, respectively, and any other purposes served by the project which may hereafter be made nonreimbursable by law, the sums so allocated, together with the expenses of operation and maintenance attributed by him to such purposes, to be nonreimbursable, and (b) (1) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States in net revenues from the delivery of water for such purposes; (2) the part of the estimated cost which can properly be allocated to municipal water supply and probably be returned to the United States; (3) the part of the estimated cost which can properly be allocated for industrial purposes and probably be returned to the United States; and (4) the part of the estimated cost which can properly be allocated to water supply for mining or other miscellaneous purposes and probably be returned to the United States.

Before any construction work is done or contracted for, the Secretary shall first determine that costs allocated to municipal water supply, irrigation, industrial, mining, or other miscellaneous purposes as herein provided will probably be returned to the United States: *Provided*, That the repayment period for costs so allocated shall be such reasonable period of years, but in no event to exceed 75 years, as may be determined by the Secretary.

SEC. 4. The Secretary is authorized to supply water for municipal, domestic, irrigation, industrial, and mining purposes in accordance with the provisions of this act and the Federal reclamation laws.

SEC. 5. Contracts for the delivery of water for irrigation purposes shall provide for the delivery of such water at an identical price per acre-foot at the several points of delivery of water from the main canals and conduits herein authorized, and from such other points of delivery as the Secretary may designate. Such contracts shall be made with the State of Nevada, or with persons, firms, public or private corporations, irrigation, mining, industrial or other districts, municipal or other political subdivisions thereof, in accordance with the reclamation law. No person shall have or be entitled to have the use for any purpose of any water delivered hereunder except by contract made as herein stated.

SEC. 6. The works provided for by the first section of this act shall be used: First, for irrigation and domestic uses; and second, for industrial and mining purposes, and satisfaction of present perfected water rights.

The title to all works herein authorized shall remain in the United States until transferred to municipal, irrigation, industrial or mining districts, as provided or may hereinafter be provided by Federal reclamation law, and the United States shall until otherwise provided by law control, manage, and operate the same: *Provided*, That the Secretary may in his discretion enter into arrangements for the operation or use of a unit or units of said work with the State of Nevada, or any irrigation district, reclamation project, industrial or mining district organized under State law, or other subdivision or agency thereof.

Sec. 7. The rights of the United States in and to the waters of the Colorado River and its tributaries for the use of which the works herein authorized are incidental, convenient, or necessary as well as the rights of those claiming under the United States shall be subject to and controlled by the Colorado River compact.

Sec. 8. The United States in constructing, managing, and operating the works herein authorized, including the appropriation, delivery, and use of water for irrigation, domestic, industrial, mining, or other uses, and all users of water thus delivered and all users and appropriators of water carried by said canals, including all permittees, licensees, and contractees of the United States, or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of the Colorado River compact and by the laws of the State of Nevada governing water rights wherever the same may be applicable.

Sec. 9. Nothing herein shall be construed as modifying or affecting any of the provisions of the treaty between the United States of America and the United Mexican States signed at Washington, D. C., February 3, 1944, relating to the utilization of the waters of the Colorado River and other rivers as amended and supplemented by the protocol dated November 14, 1944, and the understanding recited in the Senate resolution of April 18, 1945, advising and consenting to ratification thereof.

Sec. 10. This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized except as otherwise herein provided.

Sec. 11. Nothing herein shall be construed as interfering with such rights as the State of Nevada or any other State now has either to the waters within its borders or to adopt such policies and enact such laws as it may deem necessary with respect to the appropriation, control, and use of waters within its borders, except as modified by the Colorado River compact or any other interstate agreement.

Sec. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through pumping plants and necessary works to be constructed pursuant to this act for beneficial consumptive use in Nevada, and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States, may be adjudicated in such action. In any such suit or suits process

directed against the United States shall be served upon the Attorney General of the United States.

Sec. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from Lake Mead and tributaries, the main stream of the Colorado River for beneficial consumptive use in Nevada, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act.

Sec. 14. Project No. 2 contains a total of 20,600 acres in the following three areas:

Areas No. 5 and 6: 12,000 acres in the Muddy River and Meadow Valley Wash above Glendale and below Warm Springs to be irrigated from Lake Mead and the Muddy River.

Area No. 7: 8,600 acres including land now under the Muddy Valley Irrigation Company's canals with additional acreage to be irrigated from Lake Mead.

Sec. 15. Construction shall not commence, and no contracts therefor shall be entered into, on any portion of the project hereby authorized, if a Federal agency having jurisdiction over the allocation of materials and labor, or either, finds that the materials and labor, or either, necessary for the construction of the project are needed for national defense and by appropriate general regulation, order or otherwise suspends or prohibits their use for construction of the project hereby authorized, until such suspension or prohibition is rescinded or expires or control over the allocation of such materials or labor is no longer exercised.

The bill (S. 1299) authorizing the construction, operation, and maintenance of works diverting water from Lake Mead formed by Hoover Dam, together with certain appurtenant pumping and canals, and for other purposes, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That Nevada-Colorado River project No. 3, for the purposes of providing essential supplies of water for municipal, domestic, and industrial uses, and for the irrigation of public and other lands within the United States, and other beneficial purposes, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River compact, is hereby authorized to construct, operate, and maintain (1) a related system of main conduits and canals, including a main canal and pumping plant or plants for diverting and carrying Colorado River water from Lake Mead; and (2) such other canals, canal improvements, laterals, pumping plants, and drainage works as may be required to effectuate the purposes of this act.

Sec. 2. The Secretary shall have the authority to acquire, by purchase, exchange, condemnation, or otherwise, all lands, rights-of-way, and other property necessary for said purposes: *Provided*, That, anything herein contained to the contrary notwithstanding, the Secretary shall not have the authority to condemn established water rights or the water to the use of which such rights are

established, or works used or necessary for the storage and delivery of such water to the use of which rights are established, or the right to substitute or exchange water without the consent of the holders of rights or those entitled to the beneficial use of such waters as may be involved in the proposed exchange.

Sec. 3. The estimated cost of the construction of the said works shall be determined by the Secretary. The Secretary shall also determine (a) the parts of said estimated cost that can be properly allocated to flood control, navigation, fish and wildlife conservation, respectively, and any other purposes served by the project which may hereafter be made nonreimbursable by law, the sums so allocated, together with the expenses of operation and maintenance attributed by him to such purposes, to be nonreimbursable, and (b) (1) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States in net revenues from the delivery of water for irrigation purposes; (2) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States by revenues derived from sources other than the delivery of water for irrigation purposes; (3) the part of the estimated cost which can properly be allocated to municipal water supply and probably be returned to the United States; (4) the part of the estimated cost which can properly be allocated for industrial purposes and probably be returned to the United States; and (5) the part of the estimated cost which can properly be allocated to water supply for mining or other miscellaneous purposes and probably be returned to the United States.

Before any construction work is done or contracted for, the Secretary shall first determine that costs allocated to municipal water supply, irrigation, industrial, mining, or other miscellaneous purposes as herein provided will probably be returned to the United States: *Provided*, That the repayment period for costs so allocated shall be such reasonable period of years, but in no event to exceed 75 years, as may be determined by the Secretary.

Sec. 4. The Secretary is authorized to supply water for municipal, domestic, irrigation, industrial, and mining purposes in accordance with the provisions of this act and the Federal reclamation laws.

Sec. 5. Contracts for the delivery of water for irrigation purposes shall provide for the delivery of such water at an identical price per acre-foot at the several points of delivery of water from the main canals and conduits herein authorized, and from such other points of delivery as the Secretary may designate. Such contracts shall be made with the State of Nevada, or with persons, firms, public or private corporations, irrigation, mining, industrial or other districts, municipal or other political subdivisions thereof, in accordance with the reclamation law. No person shall have or be entitled to have the use for any purpose of any water delivered hereunder except by contract made as herein stated.

Sec. 6. The works provided for by the first section of this act shall be used: First, for irrigation and domestic uses; and second, for industrial and mining purposes, and satisfaction of present perfected water rights. The title to all works herein authorized shall remain in the United States until transferred to municipal, irrigation, industrial or mining districts, as provided or may hereinafter be provided by Federal reclamation law, and the United States shall until otherwise provided by law control, manage, and operate the same: *Provided*, that the Secretary may in his discretion enter into arrangements for the operation or use of a unit or units of said works with the State of Nevada, or any irrigation district, reclamation project, indus-

trial or mining district organized under State law, or other subdivision or agency thereof.

Sec. 7. The rights of the United States in and to the waters of the Colorado River and its tributaries for the use of which the works herein authorized are incidental, convenient, or necessary as well as the rights of those claiming under the United States shall be subject to and controlled by the Colorado River compact.

Sec. 8. The United States in constructing, managing, and operating the works herein authorized, including the appropriation, delivery, and use of water for irrigation, domestic, industrial, mining, or other uses, and all users of water thus delivered and all users and appropriators of water carried by said canals, including all permittees, licensees, and contractees of the United States, or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of the Colorado River compact and by the laws of the State of Nevada governing water rights wherever the same may be applicable.

Sec. 9. Nothing herein shall be construed as modifying or affecting any of the provisions of the treaty between the United States of America and the United Mexican States signed at Washington, D. C., February 3, 1944, relating to the utilization of the waters of the Colorado River and other rivers as amended and supplemented by the protocol dated November 14, 1944, and the understanding recited in the Senate resolution of April 12, 1945, advising and consenting to ratification thereof.

Sec. 10. This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized except as otherwise herein provided.

Sec. 11. Nothing herein shall be construed as interfering with such rights as the State of Nevada or any other State now has either to the waters within its borders or to adopt such policies and enact such laws as it may deem necessary with respect to the appropriation, control, and use of waters within its borders, except as modified by the Colorado River compact or any other interstate agreement.

Sec. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through pumping plants and necessary works to be constructed pursuant to this act for beneficial consumptive use in Nevada, and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action. In any such suit or suits process directed against the United States shall be served upon the Attorney General of the United States.

Sec. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construc-

tion of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from Lake Mead and its tributaries or the main stream of the Colorado River for beneficial consumptive use in Nevada, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act.

Sec. 14. Project No. 3 contains a total of 61,200 acres in the following two areas:

Area No. 11: 1,200 acres 14 miles east of Las Vegas on a branch of the Las Vegas Wash to be irrigated from Lake Mead.

Area No. 12: 60,000 acres lying in Las Vegas Wash to be irrigated from Lake Mead.

Sec. 15. Construction shall not commence, and no contracts therefor shall be entered into, on any portion of the project hereby authorized, if a Federal agency having jurisdiction over the allocation of materials and labor, or either, finds that the materials and labor, or either, necessary for the construction of the project are needed for national defense and by appropriate general regulation, order, or otherwise suspends or prohibits their use for construction of the project hereby authorized, until such suspension or prohibition is rescinded or expires or control over the allocation of such materials or labor is no longer exercised.

The bill (S. 1307) authorizing the construction, operation, and maintenance of works diverting water from Lake Mead above Hoover Dam, together with certain appurtenant pumping plants and canals, and for other purposes, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That Nevada Colorado River project No. 4, for the purpose of providing essential supplies of water for municipal, domestic, and industrial uses, and for the irrigation of public and other lands within the United States, and other beneficial purposes, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River compact, is hereby authorized to construct, operate, and maintain (1) a related system of main conduits and canals, including a main canal and pumping plant or plants for diverting and carrying Colorado River water from Lake Mead; and (2) such other canals, canal improvements, laterals, pumping plants, and drainage works as may be required to effectuate the purposes of this act.

Sec. 2. The Secretary shall have the authority to acquire by purchase, exchange, condemnation, or otherwise all lands, rights-of-way, and other property necessary for said purposes: *Provided*, That anything herein contained to the contrary notwithstanding the Secretary shall not have the authority to condemn established water rights or the water to the use of which such rights are established, or works used or necessary for the storage and delivery of such water to the use of which rights are established, or the right to substitute or exchange water without the consent of the holders of rights or those entitled to the beneficial use of such waters as may be involved in the proposed exchange.

Sec. 3. The estimated cost of the construction of the said works shall be determined by the Secretary. The Secretary shall also determine (a) the parts of said estimated cost that can be properly allocated to flood

control, navigation, fish and wildlife conservation, respectively, and any other purposes served by the project which may hereafter be made nonreimbursable by law, the sums so allocated, together with the expenses of operation and maintenance attributed by him to such purposes, to be nonreimbursable, and (b) (1) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States in net revenues from the delivery of water for irrigation purposes; (2) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States by revenues derived from sources other than the delivery of water for irrigation purposes; (3) the part of the estimated cost which can properly be allocated to municipal water supply and probably be returned to the United States; (4) the part of the estimated cost which can properly be allocated for industrial purposes and probably be returned to the United States; and (5) the part of the estimated cost which can properly be allocated to water supply or mining or other miscellaneous purposes and probably be returned to the United States.

Before any construction work is done or contracted for the Secretary shall first determine that costs allocated to municipal water supply, irrigation, industrial, mining, or other miscellaneous purposes as herein provided will probably be returned to the United States: *Provided*, That the repayment period for costs so allocated shall be such reasonable period of years, but in no event to exceed 75 years, as may be determined by the Secretary.

Sec. 4. The Secretary is authorized to supply water for municipal, domestic, irrigation, industrial and mining purposes in accordance with the provisions of this act and the Federal reclamation laws.

Sec. 5. Contracts for the delivery of water for irrigation purposes shall provide for the delivery of such water at an identical price per acre-foot at the several points of delivery of water from the main canals and conduits herein authorized, and from such other points of delivery as the Secretary may designate. Such contracts shall be made with the State of Nevada, or with persons, firms, public or private corporations, irrigation, mining, industrial or other districts, municipal or other political subdivisions thereof, in accordance with the reclamation law. No person shall have or be entitled to have the use for any purpose of any water delivered hereunder except by contract made as herein stated.

Sec. 6. The works provided for by the first section of this act shall be used: First, for irrigation and domestic uses; and second, for industrial and mining purposes, and satisfaction of present perfected water rights. The title to all works herein authorized shall remain in the United States until transferred to municipal, irrigation, industrial or mining districts, as provided or may hereinafter be provided by Federal reclamation law, and the United States shall until otherwise provided by law control, manage, and operate the same: *Provided*, That the Secretary may in his discretion enter into arrangements for the operation or use of a unit or units of said works with the State of Nevada, or any irrigation district, reclamation project, industrial or mining district organized under State law, or other subdivision or agency thereof.

Sec. 7. The rights of the United States in and to the waters of the Colorado River and its tributaries for the use of which the works herein authorized are incidental, convenient, or necessary as well as the rights of those claiming under the United States shall be subject to and controlled by the Colorado River compact.

Sec. 8. The United States in constructing, managing, and operating the works herein

authorized, including the appropriation, delivery, and use of water for irrigation, domestic, industrial, mining, or other uses, and all users of water thus delivered and all users and appropriators of water carried by said canals, including all permittees, licensees, and contractees of the United States, or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of the Colorado River compact and by the laws of the State of Nevada governing water rights wherever the same may be applicable.

SEC. 9. Nothing herein shall be construed as modifying or affecting any of the provisions of the treaty between the United States of America and the United Mexican States signed at Washington, D. C., February 3, 1944, relating to the utilization of the waters of the Colorado River and other rivers, as amended and supplemented by the protocol dated November 14, 1944, and the understanding recited in the Senate resolution of April 18, 1945, advising and consenting to ratification thereof.

SEC. 10. This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized except as otherwise herein provided.

SEC. 11. Nothing herein shall be construed as interfering with such rights as the State of Nevada or any other State now has either to the waters within its borders or to adopt such policies and enact such laws as it may deem necessary with respect to the appropriation, control, and use of waters within its borders, except as modified by the Colorado River compact or any other interstate agreement.

SEC. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through pumping plants and recovery works to be constructed pursuant to this act for beneficial consumptive use in Nevada; and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action. In any such suit or suits process directed against the United States shall be served upon the Attorney General of the United States.

SEC. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from Lake Mead and tributaries or the main stream of the Colorado River for beneficial consumptive use in Nevada, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file

a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act.

SEC. 14. Project No. 4 contains a total of 40,000 acres in the area southwest of Boulder City:

Area No. 18: 40,000 acres lying approximately 5 miles southwest of Boulder City to be irrigated from Lake Mead.

SEC. 15. Construction shall not commence, and no contracts therefor shall be entered into, on any portion of the project hereby authorized, if a Federal agency having jurisdiction over the allocation of materials and labor, or either, finds that the materials and labor, or either, necessary for the construction of the project are needed for national defense and by appropriate general regulation, order or otherwise suspends or prohibits their use for construction of the project hereby authorized, until such suspension or prohibition is rescinded or expires or control over the allocation of such materials or labor is no longer exercised.

The bill (S. 1301) authorizing the construction, operation, and maintenance of works diverting water from the main stream of the Colorado River above Davis Dam, together with certain appurtenant pumping plants and canals, and for other purposes, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That Nevada Colorado River project No. 5, for the purposes of providing essential supplies of water for municipal, domestic, and industrial uses, and for the irrigation of public and other lands within the United States, and other beneficial purposes, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River compact, is hereby authorized to construct, operate, and maintain (1) a related system of main conduits and canals, including a main canal and pumping plant or plants for diverting and carrying Colorado River water from Lake Mead; and (2) such other canals, canal improvements, laterals, pumping plants, and drainage works as may be required to effectuate the purposes of this act.

SEC. 2. The Secretary shall have the authority to acquire, by purchase, exchange, condemnation, or otherwise, all lands, rights-of-way, and other property necessary for said purposes: *Provided*, That, anything herein contained to the contrary notwithstanding, the Secretary shall not have the authority to condemn established water rights or the water to the use of which such rights are established, or works used or necessary for the storage and delivery of such water to the use of which rights are established, or the right to substitute or exchange water without the consent of the holders of rights or those entitled to the beneficial use of such waters as may be involved in the proposed exchange.

SEC. 3. The estimated cost of the construction of the said works shall be determined by the Secretary. The Secretary shall also determine (a) the parts of said estimated cost that can be properly allocated to flood control, navigation, fish and wildlife conservation, respectively, and any other purposes served by the project which may hereafter be made nonreimbursable by law, the sums so allocated, together with the expenses of operation and maintenance attributed by him to such purposes, to be nonreimbursable, and (b) (1) the part of the estimated cost which can properly be allocated to irrigation and probably be returned to the United States in net revenues from the delivery of water for irrigation purposes; (2) the part of the estimated cost

which can properly be allocated to irrigation and probably be returned to the United States by revenues derived from sources other than the delivery of water for irrigation purposes; (3) the part of the estimated cost which can properly be allocated to municipal water supply and probably be returned to the United States; (4) the part of the estimated cost which can properly be allocated for industrial purposes and probably be returned to the United States; and (5) the part of the estimated cost which can properly be allocated to water supply for mining or other miscellaneous purposes and probably be returned to the United States.

Before any construction work is done or contracted for, the Secretary shall first determine that costs allocated to municipal water supply, irrigation, industrial, mining, or other miscellaneous purposes as herein provided will probably be returned to the United States: *Provided*, That the repayment period for costs so allocated shall be such reasonable period of years, but in no event to exceed 75 years, as may be determined by the Secretary.

SEC. 4. The Secretary is authorized to supply water for municipal, domestic, irrigation, industrial and mining purposes in accordance with the provisions of this act and the Federal reclamation laws.

SEC. 5. Contracts for the delivery of water for irrigation purposes shall provide for the delivery of such water at an identical price per acre-foot at the several points of delivery of water from the main canals and conduits herein authorized, and from such other points of delivery as the Secretary may designate. Such contracts shall be made with the State of Nevada, or with persons, firms, public or private corporations, irrigation, mining, industrial or other districts, municipal or other political subdivisions thereof, in accordance with the reclamation law. No person shall have or be entitled to have the use for any purpose of any water delivered hereunder except by contract made as herein stated.

SEC. 6. The works provided for by the first section of this act shall be used: First, for irrigation and domestic uses; and second, for industrial and mining purposes, and satisfaction of present perfected water rights. The title to all works herein authorized shall remain in the United States until transferred to municipal, irrigation, industrial or mining districts, as provided or may hereinafter be provided by Federal reclamation law, and the United States shall until otherwise provided by law control, manage, and operate the same: *Provided*, That the Secretary may, in his discretion, enter into arrangements for the operation or use of a unit or units of said works with the State of Nevada, or any irrigation district, reclamation project, industrial or mining district organized under State law, or other subdivision or agency thereof.

SEC. 7. The rights of the United States in and to the waters of the Colorado River and its tributaries for the use of which the works herein authorized are incidental, convenient, or necessary as well as the rights of those claiming under the United States shall be subject to and controlled by the Colorado River compact.

SEC. 8. The United States in constructing, managing, and operating the works herein authorized, including the appropriation, delivery, and use of water for irrigation, domestic, industrial, mining, or other uses, and all users of water thus delivered and all users and appropriators of water carried by said canals, including all permittees, licensees, and contractees of the United States, or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of the Colorado River compact and by

the laws of the State of Nevada governing water rights wherever the same may be applicable.

SEC. 9. Nothing herein shall be construed as modifying or affecting any of the provisions of the treaty between the United States of America and the United Mexican States signed at Washington, D. C., February 3, 1944, relating to the utilization of the waters of the Colorado River and other rivers as amended and supplemented by the protocol dated November 14, 1944, and the understanding recited in the Senate resolution of April 18, 1945, advising and consenting to ratification thereof.

SEC. 10. This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized except as otherwise herein provided.

SEC. 11. Nothing herein shall be construed as interfering with such rights as the State of Nevada or any other State now has either to the waters within its borders or to adopt such policies and enact such laws as it may deem necessary with respect to the appropriation, control, and use of waters within its borders, except as modified by the Colorado River compact or any other interstate agreement.

SEC. 12. If any State or States within 6 months after the effective date of this act shall begin a suit or suits in the Supreme Court of the United States to determine the right to the use of water for diversion from the main stream of the Colorado River through pumping plants and necessary works to be constructed pursuant to this act for beneficial consumptive use in Nevada, and to adjudicate claims of right asserted by such State or States or by any other State or States, under the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057), the California Self-Limitation Act (Cal. Stat. 1929, ch. 16¹), and the Boulder Canyon Project Adjustment Act (54 Stat. 774), consent is hereby given to the joinder of the United States of America as a party in such action or actions. Any State of the Colorado River Basin may intervene or be impleaded in such suit or suits. Any such claims of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action. In any such suit or suits process directed against the United States shall be served upon the Attorney General of the United States.

SEC. 13. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act: *Provided*, That no moneys appropriated under the authority of this act shall be expended for the construction of works authorized by this act which are required solely for the purpose of diverting, transporting, and delivering water from Lake Mead and tributaries, or the main stream of the Colorado River for beneficial consumptive use in Nevada, during the period of 6 months after the enactment of this act and during the pendency of any suit or suits in which the United States shall be joined as a party under and by virtue of the consent granted in section 12 of this act. The pendency of a motion for leave to file a bill of complaint shall be considered pendency of a suit or suits for the purposes of this act.

SEC. 14. Project No. 5 contains a total of 60,000 acres in the following three areas:

Areas No. 13, 14, 15: 60,000 acres including bottom and bench land in the vicinity of Davis Dam to be irrigated from the Colorado River.

SEC. 15. Construction shall not commence, and no contracts therefor shall be entered into, on any portion of the project hereby authorized, if a Federal agency having jurisdiction over the allocation of materials and labor, or either, finds that the materials and labor, or either, necessary for the construction of the project are needed for national defense and by appropriate general regulation, order or otherwise suspends or prohibits their use for construction of the project hereby authorized, until such suspension or prohibition is rescinded or expires or control over the allocation of such materials or labor is no longer exercised.

Mr. MALONE. Mr. President, the lands involved in these projects would be irrigated from Lake Mead or its tributaries. Of course, Lake Mead is formed by Hoover Dam. The No. 5 project would be irrigated from water which would be taken from the lake formed by Davis Dam.

THE ENGINEERING COMMITTEE

Mr. President, on March 1, 1935, the engineering committee appointed by the Colorado River Conference rendered its report in Salt Lake City, Utah. The report consisted of an analysis of the water commitments on the Colorado River, and included a summary of the E. B. Deblor report of December 1934.

The report assumed a total consumptive beneficial use of 900,000 acre-feet in the State of Nevada, based upon their examination and computations at that time. The members of the engineering committee included myself, then State engineer of Nevada; Edward Hyatt, State engineer of California; and M. G. Hinderlider, State engineer of Colorado. All three of these engineers had represented their respective States in the Colorado River negotiations for 8 or 10 years, and were entirely familiar with all existing reports and investigations, and, in fact, had themselves, over that period of time, made personal investigations and examinations over the entire seven-State area drained by the Colorado River stream system.

Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks the report submitted by the engineering committee to the Colorado River Conference in Salt Lake City, Utah, on March 1, 1935, recommending that 900,000 acre-feet of water be allocated to the State of Nevada for beneficial consumptive use out of the Colorado River.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PRELIMINARY REPORT OF THE ENGINEERING COMMITTEE APPOINTED BY COLORADO RIVER CONFERENCE IN SALT LAKE CITY, UTAH, MARCH 1, 1935

A study of the water ultimately available in the lower basin of the Colorado River including all tributaries, based on the report of E. B. Deblor, December 1934; analysis of commitments thereon; and an assumed distribution thereof.

ASSUMPTIONS

1. Consumptive use of 7,500,000 acre-feet annually in the upper basin as apportioned by the Colorado River compact.
2. Complete reservoir development in lower basin as set forth in the Deblor report.

3. That Mexico will be allocated 750,000 acre-feet annually.

I. Ultimate usable water supply in acre-feet

1. Net supply for use from main stream below Boulder Dam.....	8,370,000
2. Net supply for use from Gila River	2,259,000
3. Net supply available for lower basin use above Boulder Dam	240,000
4. Waste crossing International Boundary and usable in Mexico.....	200,000
Total	11,069,000

NOTE.—Items (1) and (2) are exclusive of waste into Mexico.

II. Present commitments on lower basin supply (including total Gila River, vested rights and contracts)

1. Arizona—total of Gila River....	2,259,000
Vested in Colorado River below Boulder Dam.....	600,000
2. California contracts.....	5,362,000
3. Present lower basin uses above Boulder Dam in Arizona, Nevada, New Mexico, and Utah.....	90,000
Total.....	8,311,000

III. Assumed distribution—additional assumptions

(a) Use in Arizona, Nevada, New Mexico, and Utah above Boulder Dam of.....	240,000
(b) Total use by Nevada.....	900,000
(c) Allocation to Mexico.....	750,000

DISTRIBUTION

1. Arizona:	
(a) Gila River.....	2,259,000
(b) Rights below Boulder Dam	600,000
(c) Total above Boulder Dam	30,000
(d) Remaining water in stream	1,988,000
	3,877,000
2. California contracts.....	5,362,000
3. Nevada:	
(a) Above Boulder Dam.....	30,000
(b) Balance of proposed contract.....	870,000
	900,000
4. New Mexico above Boulder Dam	30,000
5. Utah above Boulder Dam.....	150,000
6. Republic of Mexico.....	750,000
	11,069,000

AVAILABLE TO ARIZONA FROM MAIN STREAM OF COLORADO RIVER

Present uses from Colorado River below Boulder Dam.....	600,000
Assumed ultimate uses above Boulder Dam.....	30,000
Remaining water below Boulder Dam.....	988,000
Total.....	1,618,000

¹ Total available quantity for use in lower basin less allocations, contracts, and assumed distributions.

REMARKS

1. It is herein understood that water used or to be used above Boulder Dam as above listed, is assumed to come from tributaries of the main stream of the Colorado River. The Nevada contract for water deliveries proposed to the Secretary of the Interior for

900,000 acre-feet, includes both present and proposed uses.

2. It is assumed that the water used by New Mexico from the Gila River is included in the Gila River commitments.

3. It is also assumed that Utah will use 150,000 acre-feet of the 240,000 acre-feet of the lower basin water to be used above Boulder Dam, as determined by the Debler report. If as indicated by Utah, that State may require a total of 300,000 acre-feet, the additional amount must be deducted from the net supply listed as available for use below Boulder Dam.

4. It is not necessarily assumed that all members of the Commission agree in all particulars to the accuracy of the Debler report, but this report is a preliminary analysis of the water supply available for use in the Lower Basin, based on that document.

EDWARD HYATT,
M. G. HINDERLIDER,
GEO. W. MALONE.

SALT LAKE CITY, UTAH, March 1, 1935.

ONLY OFFICIAL REPORT OF ENGINEERS OF THE AREA

Mr. MALONE. Mr. President, the engineering report made for the Colorado River Conference by the three State engineers of California, Colorado, and Nevada was the first and only report by an official engineers' committee of the area.

ESTIMATES POWER AND WATER USE CONSERVATIVE

Mr. President, all reports on the future use of both power and water made over the years of controversy on the Colorado River have been proved conservative through experience over subsequent years. There is good reason to expect that the estimate of 900,000 acre-feet of water for beneficial consumptive use in the State of Nevada will also prove conservative.

WAR THREAT AGGRAVATING WATER SUPPLY

The Korean War and the threat of a third world war are aggravating the short water supply in southern Nevada, especially in the Boulder City, Henderson, and Las Vegas areas, which are the centers of population, and in the Muddy River areas, where vegetables, dairy products, and other food supplies are produced for those cities.

MODERATE PUMP LIFT

The pump lift for the water to be used in connection with the proposed projects is estimated to be from 25 feet to a maximum of 850 feet. Mr. President, no other works are necessary, except pumping plants and the necessary pipe lines, in connection with those plants, to transport the water to the areas mentioned. These areas are shown on an accompanying map which will be available to the committee to which these bills will be referred, namely, the Committee on Interior and Insular Affairs.

ELEVATION AND CLIMATE

The land lies in an area at a maximum of 2,000 feet above sea level, where frost is almost unknown, and where the sun shines 360 days per year. Power transmission lines are already constructed and available for the most part either actually crossing the proposed irrigation areas or adjacent to them. For purposes of comparison, Mr. President, let me say that the high-water mark of Lake Mead, which is formed by the

Hoover Dam, is 1,229 feet above sea level.

UNITED STATES CAN SHOUT SELF INTO WAR ON CHINA ISSUE—ARTICLE BY WILLIAM R. MATHEWS

Mr. MCFARLAND. Mr. President, I should like to read into the RECORD an article entitled "United States Can Shout Self Into War on China Issue," written by William R. Mathews and published in the Arizona Daily Star, April 8, 1951. The headline of Mr. Mathews' interesting story says, "United States can shout self into war on China issue." Mr. Mathews is a veteran of World War I, a man who has traveled extensively throughout the world and who has made a study of world conditions. He continues:

MARTIN'S PLEA FOR USE OF CHIANG'S ARMY EXAMPLE OF RECKLESS TALK

Representative JOSEPH MARTIN's Lincoln Day address, urging that we use Chiang Kai-shek's troops in Korea, or in an invasion of the Chinese mainland, is frightening in its implications. Coming so quickly after Governor Dewey's demand for a 100-division Army and total mobilization, it shows how, if we Americans fail to keep cool heads, we can literally shout ourselves into a war in the Pacific as well as in the Atlantic.

Despite General MacArthur's public approval of Mr. MARTIN's recommendations, I shudder to think of the consequences of such a policy.

Any appraisal of China must now recognize that China has entered the terror phase of a revolution as genuine as the French revolution of 1793. China is controlled by a well-trained, thoroughly professional group of devout Marxist revolutionists, who have been taught that war is necessary and desirable to promote revolution, and that terror is an indispensable political instrument.

WILL COURT WAR

That is the situation in China today. War will be courted rather than avoided, and Moscow will not object to the bogging down of American strength in the great swamp of China.

An attack on China would be a godsend to the Peiping revolution. It would arouse the basic patriotism of the Chinese in defense of the revolt just as did Allied intervention in the French revolution of 1793 and in the Russian revolt of 1918-20.

The chances are that Peiping will deliberately seek to prolong the Korean war. It can afford to sacrifice Chinese manpower for several years. It could welcome another year of war. It could welcome intervention by the Nationalists as confirmation of what Lenin taught as a basic Communist doctrine, as irrefutable proof that the demise of the capitalistic powers is in progress.

SUPPORTS RED STRATEGY

The Soviet Union can be counted upon to encourage that belief to trap us into committing more and more of our strength in Asia, where a war cannot bring a political decision against communism, and where it would not be necessary for Moscow to commit its own military strength. The Soviet Union will be willing to fight this war to the last Chinese and American.

If we use Chinese Nationalists in Korea, we will be drawn into a hopeless war in China. Chiang's Government would have good reason to ask our aid in invading the mainland. First, it would be air and sea support; then, as the invasion bogged down, staff help and, finally, American troops.

This is first-hand information. At two widely separated points in the Orient in 1949 I heard important Nationalist officials declare, "Only another world war can save us." The Communists had just taken Shanghai.

SEEK UNITED STATES INVOLVEMENT

In June 1950, a week before the war began, on a plane between Tokyo and Seoul, my seatmate, an American civilian who had just come from Formosa, told me of the preparations there for an early Nationalist invasion of the mainland and of the retired American generals and admirals who were acting as advisers.

"Of course, we Americans will have to provide sea and air protection," he said enthusiastically.

The President's declaration of June 27, when he announced neutralization of Formosa as a job for the Seventh Fleet, was a wise and necessary precaution to keep the war from spreading.

From American military and naval officers who served on Chiang Kai-shek's staff, I have heard of Chiang's military incompetency, and of his uncompromising resentment against anyone who dares to advise him contrary to his impulsive wishes.

CHINA MANHOOD BANKRUPT

I saw Canton and Hong Kong a few weeks before the Red armies took Canton. I was aghast at the complete bankruptcy of Chinese manhood. Only after a long period of years of guerrilla warfare can the Communist regime be successfully challenged by anti-Communist Chinese forces.

When that time comes, it behooves Americans to realize that any government of China, for a century to come, must in order to hold the respect of its people, be antiforeign. It has to have someone on whom to place blame for its own inability to meet the gigantic problems China faces.

Another factor of the use of Chinese troops in large numbers in Korea is the possibility of desertion to the Communists. Any military commander who does not take that into consideration will be woefully blind. If they should remain loyal, from where will come replacements as the battles consume the first contingents?

MAC ARTHUR'S 1949 VIEWS

Although General MacArthur has endorsed the principle of America's committing her strength to a war against communism in Asia, I can cite from a personal conversation I had with him in his office in Tokyo, in 1949, some significant advice. Said he, in explaining America's role as a Pacific power, as he took a pointer to a map of the Western Pacific:

"From this line of the Aleutians, Japan, the Bonins, the Ryukyus, and the Philippines, we can with our air and sea power, break up an amphibious attack that might depart from the Asiatic mainland; and we can, with our atomic bombs destroy the cities upon which those attacks must be based."

That is a wise base for our policy in the Western Pacific. If we allow ourselves to be drawn into a war in China, we will not win it militarily or politically. We will exhaust ourselves; we will not harm the source of communism; we will allow the Soviet Union to grow so strong that it can choose its own time to march west in Europe.

I write this as an editor who vigorously supported the Chinese Nationalists, who warned of the impossibility and danger of attempting to form a coalition government with Communists, but who today believes wars should be localized rather than turned into hopeless crusades for unlimited objectives impossible of attainment.

Mr. President, I think the Senate may well read Mr. Mathews' article, which is so well written. We have had a great deal of talk here today urging the sending of a committee to the Far East to interview General MacArthur. I have been asked several times about my position on this matter. I want to say that I am one of those who believe that the

legislative establishment has neither the constitutional authority nor the military training and experience to plan military strategy or to deploy troops. The absurd lengths to which we can be led if we deviate from such a sound policy has been frequently demonstrated in debates on the Senate floor, the most recent example being that on some of the amendments on the troops-to-Europe resolution. The time alone consumed in the recent debate proves how tragic this could be; while Congress would be talking, our men might be dying.

Before expressing any opinion on the proposed resolution, I would want to have the judgment of the Joint Chiefs of Staff as to what the effect of such a conference with a subordinate commander in the field would have on the actual military conduct of the Korean fighting; what the psychological effect would be on our allies, as well as on the Communist forces, who undoubtedly will hail this as a sign of dissension.

More than that, I would find it hard to believe that General MacArthur himself—a man steeped in military tradition and conscious of our constitutional history that the civilian arm and not the military, makes policy—would approve the idea of Congress conferring with and attempting to direct military tactics. I would think he would regard this as a move likely to produce great mischief.

Mr. MALONE. I should like to ask the Senator a question. Is the Senator aware of the fact that through Hong Kong and Singapore, through Marshall plan nations, steel, tin, and rubber are still finding their way into Communist China?

Mr. McFARLAND. From where?

Mr. MALONE. From Hong Kong. I do not have the quotation here, but I shall ask unanimous consent—

Mr. McFARLAND. If the Senator has any proof—

Mr. MALONE. I inserted it on March 21.

Mr. McFARLAND. If the Senator has proved it, that is the Senator's statement. But it is not coming through any action of the United States of America.

Mr. MALONE. Unfortunately, we do not produce any tin; but the tin that we should be receiving is now going to Communist China.

Mr. McFARLAND. Possibly many of the things we should now be receiving are going to Communist nations and will continue to do so if we keep on trying to run the military, the diplomatic, the executive and everything else from the floor of the Senate. In my judgment, we have all we can do to run our own legislative business.

Mr. MALONE. I am not trying to run anyone's business, but I should like to have the Senator know that the junior Senator from Nevada placed in the RECORD, on March 21, a list of 96 trade treaties, all of which had been brought up to date. The Marshall plan countries are selling munitions of war and the materials necessary to consolidate Russia's gains in Eastern Europe.

MILITARY AND ECONOMIC PACTS OF ENGLAND AND FRANCE WITH RUSSIA

England and France have separate military and economic pacts with Rus-

sia which are in good standing and which will run to 15 years from today. There has been no move on the part of England, France, or our State Department to cancel these pacts. They read startlingly like the North Atlantic Pact. Would the Senator like to comment on where we stand with reference to that subject?

Mr. McFARLAND. The Senator's information with respect to shipments to China is not the same as mine. If he wants to make a speech I shall sit down and let the him make such speech as he desires. My information is that a painstaking effort has been made, largely successful, to stop the shipment of certain supplies which are valuable to Communist China. If the Senator has information to the contrary that he wants to give to the Senate, let him give it.

Mr. MALONE. Mr. President, I repeat that supplies of tin, rubber, and steel are still going to Communist China from Hong Kong and other sources. In order to bring the matter up to date, I ask unanimous consent to insert in the RECORD at this point an excerpt from my March 21, 1951, address to the Senate, with specific reference to the material being shipped, and including specific quotations from two paragraphs in each of the economic and military pacts which England and France now have, in good standing, with Russia.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

RUSSIA IS BIDDING HIGH ON WORLD MARKETS

Last year the Russians received 64,694 tons of Malayan rubber by the end of October 1950, a 10-month period. This represented an increase of more than 1,000 tons over entire 1949 shipments, according to statement issued by British Board of Trade President Harold Wilson. Wilson also disclosed that Malayan rubber exports to Red China totaled 16,482 tons in November and December 1950.

The United States took 34 percent of Malayan rubber and 70 percent of tin in 1950. The prices that have risen were based on the fancy prices Communist countries were willing to pay, so if the United States stops buying Malayan tin, tin as a strategic material will be bought by Russia and Red China.

Malayan rubber shipments to China and Hong Kong have more than doubled—they totaled 83,000 tons in 1950 against 30,000 tons in 1949.

Czechoslovakia doubled her tonnage of rubber imported in 1950 against 1949.

Two Australian warships were bought by Chinese Reds. This was done in February of this year. They were two British-made corvettes about as big as American destroyer escorts. They are now lying in Pearl River just below the city of Canton. They had been declared surplus by the Australian Navy and were acquired by private parties who were Communist intermediaries.

According to a report issued by the United States Department of Commerce, the Soviets are snapping up all raw materials and machinery they can lay their hands on from the West. The tempo of their buying has increased sharply during the past year. The principal suppliers are Great Britain and Belgium in that order, and principal supplies are rubber, tin, wool, copper, cotton, industrial machinery, and tools.

THE WEST IS STILL ARMING RUSSIA

Russian imports of natural rubber before World War II averaged 35,000 tons a year. In 1950 they bought directly about 85,000 tons, most of it from British Malaya. In addi-

tion, 38,000 tons of Malayan rubber went to China, and 44,000 tons to British Hong Kong to be transhipped to the Soviet Union. Another 22,000 tons went to Eastern Germany, Czechoslovakia, and Hungary. China has no way of using rubber in manufacturing, so for 1950, 189,000 tons went to Russian industries as against 35,000 tons in a normal prewar year.

Russia also took 42,500,000 pounds of wool in 1950 and 2,000,000 pounds of cotton, 700 tons of tin. Practically all of this from British and Commonwealth sources.

Little Czechoslovakia got 13,127 tons of copper from Belgian Congo in 1950; 7,000 tons of zinc, 1,100 tons of lead, all from Belgium.

The Belgians sold Russia more than \$8,000,000 worth of machinery and machine tools and equipment in 1950.

The British shipped \$28,000,000 of machinery and machine tools to the Soviet Union in 1950.

Vast quantities of steel and steel scrap have been sent to the Soviet Union through Germany, and through Hong Kong to China.

WE ARE MAKING ALL THE SACRIFICES

Our military spending for the 1951 calendar year is expected to reach \$40,000,000,000 and in 1952, \$53,000,000,000. This will represent probably 28 percent of our national income and if we were to add to it other indirect figures which are going into the support of European economy, the figures would probably be 33½ percent.

"Defense in the Cold War," issued by the study group of the Royal Institute of International Affairs gives percentage on defense expenditures of Europe in 1949 and 1950 as expressed in percentages of national income. The highest is the United Kingdom with 7.4 percent. The lowest is Denmark with 1.9 percent. Others are Norway, 2.5 percent; Belgium, 2.5 percent; Italy, 3.8 percent; and France, 5 percent. I do not have the new European figures, but they cannot be much more, and do not approach our new percentages. Even then, most foreign outlays for defense are connected with European adventures in protecting their colonial interests and not in protecting Europe.

NONAGGRESSION PACTS WITH ECONOMIC AND POLITICAL CLAUSES STILL IN EFFECT

Mr. President, I want to note here that both England and France have separate economic and military pacts with Russia. In March 1949 I put both of these treaties, these pacts with Russia, into the RECORD. They are nonaggression pacts, military and economic pacts. I refer only to the CONGRESSIONAL RECORD, where they are included. But I want to quote briefly some articles included in these treaties, each one of them practically the same in language. The one with France was signed by Molotov and Bidault. The one with England was signed by Anthony Eden and Molotov. The one with England reads:

"Article 6. The high contracting parties agree to render one another all possible economic assistance after the war."

Mr. President, these pacts are in full force and effect for another 12 years or so, and no attempt has been made by either France or England to cancel them.

I read article 7:

"Each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party."

CONFLICT OF ALLIANCES

Mr. President, when the junior Senator from Nevada brought out the existence of these pacts in 1949, 2 years ago, at once the British and the French denied any conflict with the Atlantic Pact, although they read startlingly like the Atlantic Pact. Of course, our State Department laughed the matter

off. They said there was no reason why the other nations could not sign a pact with us even though they had a similar pact with Russia. Since that time we have noticed in the press that Russia has been questioning regarding these pacts both France and England by reason of the fact that they signed a similar pact with us. The Russians have said France and England violated their pacts with Russia. They have both separately denied that they intended to violate the pacts with Russia. So that up to this date the pacts are still in good standing.

I shall read two articles from the pact between France and Russia. Article 5:

"The high contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high contracting parties."

Article 6:

"The high contracting parties agree to render each other every possible economic assistance after the war with the view to assisting and facilitating reconstruction of both countries and in order to contribute to the cause of world prosperity."

Those high-sounding phrases were included in the Atlantic Pact.

Mr. MALONE. In the pacts between England and France and Russia the parties agree in effect, not to join with any other nation in any coalition or activity directed against any of the three participating nations. They also agree in another paragraph to assist each other economically and militarily in any way possible. I submit, Mr. President, that that is exactly what is being done. The record shows it.

THE COURSE OF ACTION IN KOREA

Mr. President, we finally figured out a course of action—at least, the United Nations did; I do not think it was the United States Senate; the President said the Senate had nothing to do with it, and so far, he has proved that to be so. Certain information was furnished to the United Nations Organization, which plays golf and takes week end vacations while 60,000 of our boys are casualties in the jungles of Korea. We have nearly worn out the thirty-eighth parallel, going back and forth across it. We have destroyed countless numbers of the small meager habitations which the people had in both North and South Korea, and, as a result, we are getting ready, as soon as the conflict can be stopped, if that can ever be done to introduce a bill providing twenty or thirty billion dollars to rebuild Korea.

MAC ARTHUR STOPPED

When our Army finally reached the thirty-eighth parallel for the first time, we held General MacArthur there for approximately 10 days and allowed the enemy to regroup. It was like a football game. We allowed the enemy to go into a huddle, and we watched them. After they had regrouped and had started moving troops from China, we allowed General MacArthur to go to the northern boundary of Korea. Then what did we do? We denied him the right, which has always been the right of any field commander since the United States has been a nation, when a war is in progress, to win the war or come home with his troops. He must win it in any way he can, under the rules of warfare. But we stopped him and said, "You shall not destroy the industries in Manchuria and

in China. You shall not disturb the supply lines of the Chinese Reds who are bringing supplies up and getting ready to murder many more American boys."

So we treated it like a football game. We watched them in the huddle, and then he was expected to stop at the scrimmage line. General MacArthur had to retreat. Is it not about time we got our feet on the ground and figured out how we can win a war in Korea, or in Europe, or in Iran? Some persons think there is considerable significance to the movement in Iran with reference to the nationalization of oil.

THE NEXT SPOTS OF AGGRESSION

Some persons think that may be one of the next spots. Some persons believe that Indochina may be among the next spots, because we are financing the French and the British—the French, to hold the Indochinese in colonial slavery, and England to hold Singapore and the Malayan States in colonial slavery with no regard for the people themselves in those areas.

Mr. President, I have visited Saigon and have been a considerable distance around that city. I have also visited Singapore and have traveled a considerable distance in the Malayan States. I also visited Indonesia. It happens that in those countries there is a considerable number of persons who are very intelligent and well educated. There are also persons who have established residence there over many years. Some have intermarried, as in Indonesia, Singapore, and Indochina. They are a part of that area. They know how to run a country if they are allowed to do it. The French are dominating, through colonial slavery, the Indochinese as they have done for 100 years. We are now making enemies faster than any nation can make friends in the Far East, in the Mediterranean area, in Egypt, and in Africa, through the system of fostering colonial slavery under the guise of keeping down communism.

THE CHINESE NATIONALIST ARMY

Mr. President, we have surrounded Gen. Chiang Kai-shek with our Navy. I rather think that he could not whip our Navy. He will be there until we release him. He has 600,000 Chinese troops, who are well trained, we are informed. They may need a little matériel to enable them to put up a good fight. In addition, there are perhaps a million or so guerrillas on the mainland of China. They are actually without arms, as we understand arming for war.

Mr. President, I rode on one of General Chennault's freight planes from Shanghai to Canton. I had a very fine conference with General Chennault in 1948. At that time he said, "Give us the planes and let our Flying Tigers volunteer and come out here." He showed us on the map the airports he could protect and the line at which he could stop the Chinese Communists.

It is a little late for that now, Mr. President. It is a little late to stop them at the point which the general had pointed out on the map. However, they can still be stopped by men like General Chennault, Chiang Kai-shek, and

General Li, under him, if we will give them free rein and supply them with half the armament we are sending to Korea for our own boys—and we are not sending so very much. In that way the situation in China could be turned back into the Chinese civil war that has been going on there for more than 100 years. The administration seems to have accomplished a great thing in the 4 or 5 years following World War II. The administration has succeeded in turning a 100-year-old Chinese civil war into a war between China and the United States.

Mr. McFARLAND. Mr. President, I regret very much the statement that has been made by the distinguished Senator from Nevada. It is the kind of statement Mr. Matthews was discussing in his article which might "shout us into war."

Mr. President, I move that the Senate stand in recess—

Mr. MALONE. I object. I have a few words to say.

The PRESIDING OFFICER (Mr. KERR in the chair). The motion is not debatable.

Mr. McFARLAND. I withdraw the motion.

Mr. MALONE. Mr. President, what do we have in Korea? If we do not have a war I should like to have someone explain to me how many people it is necessary to kill in order to have an acknowledgment that we are at war. We are at war. It has never been anything else but war. It is certainly no police action. It is a misnomer to call it a police action. To do so is an insult to the intelligence of the mothers and fathers and taxpayers of America.

RECESS TO WEDNESDAY

Mr. McFARLAND. Mr. President, I still regret the remarks of the Senator from Nevada.

I move that the Senate stand in recess until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 7 o'clock and 3 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Wednesday, April 11, 1951, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 9, 1951

The House met at 12 o'clock noon.

Rev. Sam Reeves, pastor, First Baptist Church, El Dorado, Ark., offered the following prayer:

Our Father and our God, we pray Thy blessings upon this legislative body of our Government, men called of Thee and of the people to serve in this high capacity of giving us our laws. May these servants and their constituents never forget Thee, Thou who hast given us law, because Thou hast given us life; and may these servants who sit here and their people never forget that not too far distant from this place lies the body of him who is the father of our country, not too far distant by yards or by years. Grant, we pray, an increase of those years which now are enough to

have obliterated the blessed memory of those knee prints in earth while he was here on earth lifting this Nation unto Thee in an hour of trial and distress and trouble. God forbid that an increase in the years should ever find this body of our people represented here forgetting that blessed example and the charge from him.

We pray Thy richest blessings upon those who defend this country in this hour against any harm, not counting the cost, but cherishing the cause. Do Thou hold us always close to Thee. Guard, guide, and keep us, for we pray it in the name of Him whom we call Lord, even Christ. Amen.

The Journal of the proceedings of Friday, April 6, 1951, was read and approved.

UNITED STATES v. PATTERSON

Mr. ALBERT. Mr. Speaker, I have been subpoenaed to appear before the District Court of the United States for the District of Columbia, to testify on April 9, 1951, at 1:45 p. m., and on April 10, 1951, at 10 a. m., in the case of the United States against William L. Patterson, which is a congressional contempt proceeding. Under the precedents of the House, I am unable to comply with these subpoenas without the consent of the House, the privileges of the House being involved. I, therefore, submit the matter for the consideration of this body.

Mr. Speaker, I send to the desk the subpoenas.

The SPEAKER. The Clerk will read the subpoenas.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—UNITED STATES v. AMERICA v. WILLIAM L. PATTERSON, CRIMINAL No. 1787-50

To Hon. CARL ALBERT, of Oklahoma, House Office Building:

You are hereby commanded to appear in the United States District Court for the District of Columbia at United States Courthouse in the city of Washington, D. C., on the 9th day of April 1951 at 1:45 o'clock p. m., to testify in the case of the United States v. William L. Patterson.

This subpoena is issued on application of the defendant.

[SEAL]

HARRY M. HULL,
Clerk.

By C. J. RUMSEY,
Deputy Clerk.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—THE UNITED STATES v. WILLIAM L. PATTERSON, CRIMINAL No. 1787-50

The PRESIDENT OF THE UNITED STATES to Hon. CARL ALBERT,
United States House of Representatives:

You are hereby commanded to attend the said court on Tuesday, April 10, 1951, at 10 o'clock a. m., to testify on behalf of the United States; and not depart the court without leave of the court of district attorney.

Witness, the Honorable Bolitha J. Laws, chief judge of said court, this 9th day of April A. D. 1951.

[SEAL]

HARRY M. HULL, Clerk.
By MICHAEL JAMES SULLIVAN,
Deputy Clerk.

Mr. PRIEST. Mr. Speaker, I offer a privileged resolution (H. Res. 183) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas Representative CARL ALBERT, a Member of this House, has been served with subpoenas to appear as a witness before the District Court of the United States for the District of Columbia, to testify at 1:45 p. m., on the 9th day of April 1951, and at 10 a. m., on the 10th day of April 1951, in the case of the United States v. William L. Patterson, Criminal Docket No. 1787-50; and

Whereas by the privileges of the House no Member is authorized to appear and testify, but by order of the House: Therefore be it

Resolved, That Representative CARL ALBERT is authorized to appear in response to the subpoenas of the District Court of the United States for the District of Columbia in the case of the United States v. William L. Patterson at such time as when the House is not sitting in session; and be it further

Resolved, That a copy of this resolution be submitted to the said court as a respectful answer to the subpoenas of said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE AMENDMENTS TO THE BILL S. 1

Mr. VINSON asked and was given permission to extend his remarks at this point and include amendments unanimously adopted by the Committee on Armed Services to the bill S. 1, as follows:

1. On page 37, strike out lines 3 and 4 and substitute in lieu thereof the following:

"(7) The Commission shall, not later than 6 months following its appointment and confirmation, submit to the Congress legislative recommendations which shall include, but not be limited to—"

2. On page 37, line 18, strike out the words "recommendations with respect to."

3. On page 38, strike out lines 1 through 20, inclusive, and substitute in lieu thereof the following:

"(1) the legislative recommendations provided for in paragraph (7) shall have been enacted with or without amendments into law: *Provided*, That such recommendations shall be referred to the Committees on Armed Services, and both committees shall, not later than the expiration of the first period of 45 calendar days of continuous sessions of the Congress, following the date on which the recommendations provided for in paragraph (7) of this subsection are transmitted to the Congress, report thereon to their respective Houses: *Provided further*, That any bill or resolution so reported shall be privileged and may be called up by any Member of either House but shall be subject to amendment as if it were not so privileged; and."

4. On page 39, strike out lines 2 through 7, inclusive.

GEN. DOUGLAS MACARTHUR

Mr. HALE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I read a good deal in the papers about a possible "crackdown" on General MacArthur. If there is such a crackdown, it will afford the world a classic example of disciplining a man who in his estimates of the

Far Eastern situation, has always been right, to save the faces of people who at least with respect to that situation have always been demonstrably wrong.

If General MacArthur were given a free hand in Asia, Chiang Kai-shek's army could go to work, and the Chinese Communist tyranny of Mao Tse-tung might be overthrown. That would do more to enhance the chances of peace in Europe than anything that we are likely to be able to do for a long time in Europe itself.

The United Nations with the formal encouragement of this House declared Communist China an aggressor nation. Of what use was this declaration if no sanctions were to be imposed on the aggressor? Why should not we blockade the Chinese ports? There is no danger of all-out war with China if we land no troops on Chinese soil. But there is no chance of peace in Korea unless the United Nations commander is freed from his shackles so as to achieve the UN objective of a united and independent Korea.

General MacArthur has the confidence of our people and in my judgment he has the confidence of the majority in the Congress. I wish the administration instead of rebuking him would accept his advice.

GEORGE ALBERT SMITH, EIGHTH PRESIDENT OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS

Mrs. BOSONE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mrs. BOSONE. Mr. Speaker, on Wednesday, April 4, George Albert Smith, the eighth president of the Church of Jesus Christ of Latter-Day Saints, which most of you know as the Mormon Church, died at his home in Salt Lake City. He passed away on the evening of his eighty-first birthday.

In the death of President Smith, the world lost a great Christian gentleman and the leader of a great people. The church over which he presided has more than a million members, and a far-flung organization which has representatives and meeting places throughout this country and in many foreign lands.

He, himself, was the product of an illustrious ancestry. His early forbears arrived in America on the *Mayflower*, and his later forebears were among the 1847 Utah pioneers, that sturdy band of men and women who dared the desert and wilderness to establish an intermountain empire.

I rejoice that President George Albert Smith was born and lived. Throughout his life he was a tremendous inspiration for good. It is impossible to measure the impact of his Christian spirit upon his church and upon his State, and his influence spread far beyond the confines of both. He was, for example, one of the founders of the Boy Scouts of America, and an ardent worker throughout his life in that organization.

I was a most fortunate person in that George Albert Smith was my very close friend, and I knew him for the gifted and devoted person he was, and felt the full force of his humility, sweetness, and unselfishness. My life was vastly enriched by knowing him, and it is with deep gratitude that I pay tribute to him here today.

SPECIAL ORDER GRANTED

Mr. PRICE asked and was given permission to address the House today for 10 minutes, following any special orders heretofore entered.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN], chairman of the Committee on the District of Columbia.

COMMISSIONERS TO APPOINT CIVIL DEFENSE DIRECTOR

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 3297) to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia to the position of Director of the Office of Civil Defense for the District of Columbia with the pay and salary provided by law for the position chargeable to the appropriation for the Office of Civil Defense for the District of Columbia: *Provided*, That during the tenure of his appointment such member so appointed shall be deemed to be a member of such Police Department or such Fire Department, as the case may be, for all purposes of rank, seniority, allowances, privileges, and benefits, including retirement and disability benefits under the provisions of section 2 of the act approved September 1, 1916 (38 Stat. 716), as amended, to the same extent as though the appointment had not been made, and at the termination of such appointment he shall be entitled to resume his status within the Metropolitan Police Department or the Fire Department, as the case may be, which shall include any promotion in rank to which he may have become entitled: *Provided further*, That retirement and disability benefits and salary deductions shall be based on the salary of the rank or position held in the Metropolitan Police Department or the Fire Department, as the case may be, prior to his appointment as Director of the Office of Civil Defense or the salary of the position or rank he would have attained in the Metropolitan Police Department or in the Fire Department, had his appointment as Director of the Office of Civil Defense not been made, whichever is greater: *And provided further*, That should such member, while serving as Di-

rector of the Office of Civil Defense for the District of Columbia, elect to retire under the provisions of the Civil Service Retirement and Disability Act approved May 29, 1930, as amended, he may withdraw the retirement funds deposited in accordance with the provisions of section 12 of such act approved September 1, 1916, as amended.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to permit the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense.

Public Law 536 of the Eighty-first Congress, approved August 11, 1950, authorized the establishment in the District government of an Office of Civil Defense. That law also provided for a director of such Office. It is felt that the position as Director of the Office of Civil Defense requires that the incumbent be a person with an intimate knowledge of the District of Columbia and its affairs. Since the Director of the Office of Civil Defense would have a large measure of control of emergency operations during a disaster, an officer of the police or fire departments is best equipped by background and training for such position.

If this legislation is enacted the Director of the Office of Civil Defense would be paid with the salary provided by law for that position chargeable to the appropriation for the Office of Civil Defense for the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAYLIGHT SAVING TIME IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 2612) to authorize the Board of Commissioners of the District of Columbia to establish daylight saving time in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for the period commencing not earlier than the last Sunday of April 1951 and ending not later than the last Sunday of September 1951. Any such time established by the Commissioners under the authority of this act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 24]

Allen, La.	Fogarty	Morano
Anfuso	Fulton	Morgan
Armstrong	Gamble	Morton
Bakewell	Gillette	Murray, Wis.
Barden	Gore	O'Konski
Barrett	Gossett	O'Neill
Bentsen	Granahan	Philbin
Boykin	Gwinn	Powell
Buchanan	Hall	Reams
Butler	Leonard W.	Redden
Camp	Hand	Rivers
Carnahan	Hardy	Robeson
Chatham	Hart	Roosevelt
Chenoweth	Hébert	Sabath
Chudoff	Herlong	Scott, Hardie
Combs	Hill	Scott,
Cooley	Hollfield	Hugh D., Jr.
Corbett	Jensen	Secrest
Coudert	Kennedy	Slominski
Dawson	Kersten, Wis.	Spence
DeGraffenried	King	Teague
Dingell	Kirwan	Tollefson
Dolliver	Latham	Towe
Donohue	Lesinski	Welchel
Dorn	McGrath	Welch
Durham	McKinnon	Whitaker
Elliott	Mansfield	Wickersham
Engle	Miller, Calif.	Wigglesworth
Fallon	Miller, Md.	Wood, Ga.
Fine	Miller, N. Y.	Woodruff

The SPEAKER. On this roll call, 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOURLY MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. WILLIAMS of Mississippi (at the request of Mr. COLMER) was given permission to address the House for 15 minutes today following the legislative program and any special orders heretofore entered.

DAYLIGHT SAVING TIME IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the purpose of this bill is to authorize the Commissioners of the District of Columbia to advance standard time one hour for the period beginning not earlier than the last Sunday of April 1951, and ending not later than the last Sunday of September 1951.

The reason for this bill is that several of the large cities of the country have already gone on daylight saving time, and they think that the District of Columbia should follow in their tracks. Personally, I have always opposed daylight saving time because of the fact that I do not think it saves any time, but if the majority of the people in the District of Columbia feel they want daylight saving time, I do not have any objection.

LET'S PASS THE DAYLIGHT SAVING BILL

Mr. KLEIN. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, this is the same bill that we have had year after year. I do

not think any time ought to be spent on explaining this bill because every Member of this House, as well as most of the people of the country, understand the purposes of it, and also the fact that most of the large cities of this country, and many, many of these smaller communities have daylight-saving time every summer. The main purpose is, of course, to give the wage earners, the people who work in offices and in factories, an additional hour of daylight. It is somewhat surprising that there is opposition but, of course, we have to recognize that there is.

WHAT DO THE PEOPLE OF WASHINGTON WANT?

We have had this question up, as I say, time after time. The controlling factor, it seems to me, in any legislation dealing with any community—and we are dealing now with the District of Columbia—is: What do the people of the District want? We should not come here and bring in the prejudices and the feelings of our people in our own districts back home and foist them on the people of the District. What we should do is to find out what the people of the District of Columbia want. Now, we found that out years ago. Polls have been taken year after year by the newspapers. I might point out that this is not mandatory legislation. This simply gives the Commissioners the right to impose it if they want to. They have themselves on occasion taken a poll of the people of the District of Columbia to find out how they felt about it, but time after time we have passed this legislation.

WE GO ON WASTING MONEY

I think it is a sad commentary that we have had to waste money to come in here year after year, passing a bill such as this for only 1 year. I am also the author of a bill making this legislation permanent. However, the committee in its wisdom did not report out such a bill, so that what we have before us now is simply legislation to permit the Commissioners of the District of Columbia to proclaim daylight-saving time for 1 year. It would begin on the last Sunday in April and end on the last Sunday in September. The radio companies, the television companies, and the railroads have all asked for this legislation. They all want it, because if we do not have it you will disrupt their schedules, as well as those of the airlines. In the large cities of the country you do have daylight-saving time.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Does the gentleman say that the railroads are permitted to go on daylight saving time under present law?

Mr. KLEIN. I would not know that.

Mr. MILLER of Nebraska. They do not want daylight saving time, because it fouls up their schedules from A to Z.

Mr. KLEIN. I am not certain about the railroads, but there is no doubt in my mind about the radio and television broadcasters; they have asked specif-

cally for this legislation. However, we do have this situation: Take the airlines traveling from one large city to another. After all, this is a large city; it is one of the largest in the country, and we ought to be uniform with the other cities. For instance, take a plane from New York, say, and come down here. As I have said many time before, the trip takes about an hour. If it is a fast trip with a tail wind, you get to the District of Columbia before you leave the city of New York. It is a laughing matter, and we have been held up to ridicule in putting up this fight year after year simply to keep in tune with the other large cities.

I cannot conceive of there being any serious question of passing this temporary bill of authorization. The advantages of every kind are self-evident. There is a noticeable economic advantage; consumption of power is reduced, reflecting a saving of fuels needed for defense.

The number of individuals who are actually upset by daylight saving is so small in proportion to the number of people who clearly are benefited, and their discomfort is so minor, that the greater good must be taken to far outbalance the other side.

I hope that when the vote is taken you will vote in favor of this bill.

Mr. MILLER of Nebraska. Mr. Speaker, I rise in opposition to the pro forma amendment, and ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, this is a perennial that grows up each year. It is a bill that, as the newspapers and others say, represents sort of a fight between the town folks and those who live in the cities, between the farmers and the city dwellers; this is not entirely true.

Each year advocates try to get a permanent bill to give the Commissioners the right to extend daylight-saving time as they see fit, generally from the last Sunday in April to the last Sunday in September. This year the bill is for 1 year of such authority.

May I point out to you that I am not opposed to daylight-saving time if the people want it. They speak about the polls that have been taken here in the District, but it was a rather phony poll that the newspapers took a year ago. It did not represent the true thinking of the people. If they found somebody that was opposed to daylight-saving time the vote was not counted. It was one of those things that you sort of go over and build up to satisfy yourself.

My objection to daylight-saving time now is this: We have an Army of boys in Korea. There have been nearly 60,000 casualties. The boys in Korea are not on daylight-saving time. They are slugging it out at all hours of the night and all hours of the day. What effect will it have on those boys if we here in Congress say to the people in the Dis-

trict of Columbia, "We are going to give you an extra hour for leisure, a little more time for fun"? Yet at the same time here in the District of Columbia you have a 40-hour week. I know that most Members of Congress come down to their offices on Saturday, and perhaps some of you on Sunday. You do not get any service on Saturday. I would not object so much if they would put the workers in Washington on a 44- or a 48-hour week, so that you and I could get some service when we can come down here, but no, we give them a 40-hour week, and I believe there are 41 days now that they take off as holidays or for vacation or sick leave. That is being generous. I would not say much about that, except to tell you that the boys who are fighting this war—I guess it is a war, or is it a police action—does anybody know? Well, anyway, there are casualties in Korea; there are a lot of casualties. What effect will this have on the boys who are slugging it out and bleeding and dying in Korea, when we say to the folks at home, "Oh, we are going to make it easy for you, and we are going to put daylight-saving into effect because"—as the author of the bill says—"it gives them just another hour of pleasure and another hour to play around." I think the effect would be bad.

So that is my main objection to this bill. And I do not want to put a cow-poke or a cow-milking label on this bill as some newspapers are prone to do. They come along and poke fun at we folks in the Midwest for trying to do a good job for the District of Columbia and for our Nation, and they say that we have a little cow-poke dust in our shoes and that we want to do something for the cows. They forget entirely the fundamental principle of what effect this is going to have on our boys in Korea. They forget the fact entirely that if we are supposed to make sacrifices; if this is a war with our boys dying in Korea; then why, in heaven's name, should this Congress make things easier for those who live in the District? The Speaker of this House tells you we face a terrible condition, and things are bad. He may be right; if so, it is time to tighten the belt, work 48 hours a week, and forget about more leisure under daylight-saving time.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. KLEIN. I would like to correct the gentleman at this point by pointing out to him that this is not a question of giving these Government employees, or other employees of the country—or of the District, in this case—an extra hour off. What we are doing is moving the clock ahead. They are going to work exactly the same number of hours that they work now, the only difference is that they will have this extra hour of sunshine.

Mr. MILLER of Nebraska. Why?

Mr. KLEIN. Why? Because sunshine is good for everybody.

Mr. MILLER of Nebraska. It is a little extra time off to play golf. Why not a 48-hour week?

Mr. KLEIN. Of course, or whatever the reason may be—they are entitled to it, however. They put in a full day's work, do they not?

Mr. MILLER of Nebraska. Of course, sunshine is in Korea, and it shines on the blood of the boys that is being spilled over there, and on their buddies, too. They are not getting any time off, so I say, shame upon you for introducing such a bill at this time when we are at war. Let us make sacrifices. It is time that the American people knuckle down to the realities of life. I say, "Not more fun, but more work."

Mr. Speaker, another reason I object to this bill is that we did not have any hearing on it before our committee. Some of the members of the committee asked for a public hearing, because many of the people in Washington wanted to come in to be heard, who said, "We had somebody come around and ask us, 'Are you for daylight saving time?' and we said no;" and then they would not even count their vote, and they were not allowed to be counted in this poll that was made. I think a bill as important as this ought to have a public hearing. You can say anything you want to, but I believe, ladies and gentlemen of the House, in all fairness to the boys that we are drafting into the service every day—and we have a draft bill coming up here tomorrow, which is going to take more people into the service, and I guess it is necessary if we are at war and if we mean it and if there is an emergency we have to make sacrifices, and if we are going to raise our taxes to pay for it, then for heaven's sake, let us have some reality about this thing which will give to the people in the District of Columbia an extra hour of time for sunshine and fun. Ask yourself the question, What will our boys in Korea think?

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. KILBURN. I do not see what daylight saving for and in the District of Columbia has to do with the war in Korea. In the second place, if the people of the District of Columbia want daylight-saving time I am for it.

Mr. MILLER of Nebraska. The people in the District of Columbia have never voted upon daylight-saving time, I will say that to the gentleman. They never have. The war in Korea has a lot to do with the extra time that we are giving here to the people of the District of Columbia. Maybe the gentleman would like to have a little more fun. Maybe he would like to say to the boys in Korea, "You fight it out 24 hours a day and bleed and die, but we here in Washington are going to have our fun, and make what you want out of it."

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. HALE. During World War II we had daylight-saving time as a Nation-wide war measure.

Mr. MILLER of Nebraska. Yes, but we had a 48-hour week put in to get more work out of the people. I will not object if a 48-hour week is put into effect.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. EDWIN ARTHUR HALL. Mr. Speaker, a preferential motion. Does that not give me priority?

The SPEAKER pro tempore. The gentleman's motion is that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken. The Chair would like to remind the gentleman from New York that the House is not in Committee of the Whole House on the State of the Union and now recognizes the gentleman from Arkansas for 5 minutes.

Mr. TACKETT. Mr. Speaker, had this Congress been interested in making permanent the legislation that is now before the House, I am sure we would have done so on one of the numerous occasions when it was considered before. This daylight-saving time is the biggest humbug and the biggest tomfoolery that I have ever heard of in my life. Taking time from this Congress, that has not done a whole lot—we have not had over three or four roll calls this year—but taking time out from consideration of important legislation to try to change the rotation of the world. That is what it comes down to. Folks down in my home State will call me at 5 o'clock in the afternoon and wonder why I may have left the office. It will be 7 o'clock up here under daylight-saving time and it will be 3 o'clock out in California at the same time. It is the most ridiculous, confusing thing I can imagine. There is no reason in the world for it. The only reason that has ever been advanced for adoption of this proposal is that New York has daylight-saving time and, therefore, Washington should have it. If Washington would not be so anxious to appease the ridiculous whims of New York, it would not be long before New York would get back into the regular time channel. Washington is the center of national and international activities. I am at a loss to know why Washington should be solely guided by the wishes of New York.

If the people in our Capital City want to go to and quit work earlier, there is no law to prevent such. It is needless for us to change the time of day for that purpose. They cannot fool themselves by rolling the clock back. The rural communities of this country know nothing about and care nothing about daylight-saving time. If it were so important, do you not know that the train schedules would be changed to daylight-saving time? If it were so important, do you not know that these airplanes which the gentleman takes in New York and then finds himself in Washington before he left New York would fly on daylight-saving time? This bill should be styled "legislation for the aid and assistance of golf players." That is all it amounts to. I like to play golf myself, but I have not had time to hit a ball since I have been here, and I cannot believe that any of you who are trying to give the attention to your district that you should have a great deal of time to play golf in the afternoon, regardless of the time of day revealed by your clock.

I will guarantee you that the golf players in the District of Columbia are the ones most interested in the passage of this legislation.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. SHORT. Will this legislation make the old cow give her milk an hour later and the hen lay her egg an hour earlier?

Mr. TACKETT. I presume it will. They would have you believe it will perform magic. You know that it does not do a bit of good in this world except to add additional confusion. Now, does that train down there at Union Station leave at 3 o'clock standard time, Washington time, or New York time, will be a stock question after the adoption of this legislation. Do you mean standard time or daylight-saving time will be asked a million times.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. Yes; I yield.

Mr. MILLER of Nebraska. Under the law the railroads have to stay on standard time. They are not permitted to accept daylight-saving time. Under the Interstate Commerce regulation they have to be on standard time. The Federal Court has ruled that they must be on standard time. So that it does make confusion.

Mr. TACKETT. Washington, D. C., is the center of activities in this country, and I venture to say that if we will turn down this legislation you will see the few eastern cities go back to standard time.

Mr. POTTER. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. POTTER. According to this book, Washington Confidential, apparently a lot of unsavory activities go on after dark. So I assume that is the motive in trying to have more daylight at night.

Mr. TACKETT. Well, it is a shame and disgrace for the congressional membership to be called on to argue about something that is so ridiculous. As the gentleman from New York [Mr. KLEIN] said, it is ridiculous to take the time of this Congress to talk about nothing.

I hope that once and for all this Congress will set this matter straight that we can then carry on in the regular fashion that we have been following for many years in the past.

There is absolutely no need for this legislation. The District of Columbia wants it? I have not been convinced of that; I have not seen any vote or poll that would convince me that the District of Columbia wants it. It may be that a few newspapers want it, but I will guarantee you that every one of those employees of the newspapers who want it are anxious to get in a little more golf.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, this question of daylight-saving time has come up year after year for the past 12 years since I have been here, and I should like to see it settled once and for all. I think that the people of the District of Columbia ought to have a chance to decide it for themselves so this House would not have to

impose the will of every State in the Union on the District of Columbia. The quicker we vote home rule through here the better off they will be.

It has been my contention that the people of the District of Columbia who come from every State in the Union should have the right to their own self-government. They ought to be able to vote to choose their own candidates and to elect their own officers, and to have their own self-government without the government by indirection as the Congress of the United States is bound to impose upon them; so when this question comes up or any other question comes up through the years it seems to me that we are not being fair to the people of the District of Columbia, that they ought to be able to decide upon these questions for themselves.

It was said here a little while ago that up in New York State because we had daylight-saving time that they ought not to force the District of Columbia to have daylight-saving time. Well, it happens that we have had daylight-saving time up in New York State for a good many years. We get along with it. Some of us do not like it, but some of us do; so for that reason it seems to me that the people of the District of Columbia ought to be able to decide what they want. People live here who come from every State in the Union; they come from New York State, they come from Pennsylvania, Massachusetts, out West and down South.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. O'HARA. Would the gentleman from New York be willing to put off daylight-saving time until they have home rule in the District of Columbia?

Mr. EDWIN ARTHUR HALL. I imagine that will be quite a while, because it looks to me as though they are not going to get home rule very soon. For some reason or other they always seem to pull some sleight-of-hand performance so that the people of the District of Columbia do not get home rule.

They ought to be able to decide this question for themselves. It is just like forcing an archaic method of choosing candidates in a worn-out convention system, which I have always been against. I have always maintained that candidates ought to be chosen by direct primary system. So I think, Mr. Speaker, that this is an issue which ought to be decided by the people of the District of Columbia; they ought to decide whether they want it or not, and I do not think it is up to the Congress of the United States to continue to force the question on them year after year.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. KLEIN. I just want to correct the statement which was made by the gentleman from Arkansas when he said that only in New York and a few cities on the eastern seaboard do they have daylight saving time. They have fast time in the State of California; they have it in the cities of Chicago, St. Louis, and most of the other cities of the country have it.

Mr. EDWIN ARTHUR HALL. And I would include the triple cities area of Endicott, Johnson City, and Binghamton, where 20,000 Endicott-Johnson workers and 10,000 International Business Machine workers and 8,000 Anso workers have enjoyed daylight saving time. They seem to have gotten along well with it, and it gives them a chance to get out and work their gardens and to make life happier for themselves.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Will the gentleman tell us his opinion of the effect on the morale of the boys fighting and dying in Korea to provide a little more time here at home?

Mr. EDWIN ARTHUR HALL. Answering the gentleman, I think we can be doing bigger and better things than thrashing this question out for the people of the District of Columbia. Let us give them home rule. Then they can decide.

Mr. TACKETT. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Arkansas.

Mr. TACKETT. Is the gentleman for or against this measure?

Mr. EDWIN ARTHUR HALL. Well, the gentleman has been for it in years gone by and he has also voted against it. The question is still being presented that we have to pass on, but the people of the District of Columbia should decide the question for themselves.

Mr. HINSHAW. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, this being the annual field day for horn blowing and any kind of demagoguery one may want to think up concerning daylight savings for the District, I thought I might offer a practical word to salve the conscience of those who would like to promote a little economy in government. Those of you who know about these temporary buildings down the street here in the District, and who have served in Washington in the summertime as I have for the past 12 years, will remember that when the temperature outdoors gets up to around the boiling point the people down in these temporary buildings have to let the office workers out because the temperature inside the building gets so high girls faint at their desks, and so forth. If you are looking for an economy reason to vote for this bill you might remember that by having daylight savings in the District of Columbia we would get 1 hour more work out of a great many of your employees in the District by having them start to work an hour earlier in relation to the sun. That is a pretty good reason itself. Those of you who have been here in summer and who have seen what goes on in those oven-like temporary buildings on a hot day will realize that.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. The gentleman from Minnesota I know has a stick with a barb on the end of it. What is it?

Mr. O'HARA. The gentleman concedes whether we have daylight-saving

time or do not have it they would have to let these office workers go under either system?

Mr. HINSHAW. Yes, but if they started 1 hour earlier by sun time they could get in 1 hour more work before being let out.

Mr. O'HARA. If you wake up when it is 90 in the shade, they would get off just an hour earlier, that is all.

Mr. HINSHAW. That is right, but I find that an hour earlier is a nice time to get up in the morning in the summertime when the dew is still on the grass and before the sun has had time to make steam out of it. Anybody who wants to live here in the summertime just for the fun of it can do so as far as I am concerned.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Why can we not settle this whole thing by the departments ordering the employees to go to work an hour earlier?

Mr. HINSHAW. That runs into a lot of schedules of various kinds. It involves transportation, it involves the police system, it involves practically everything. If they go to work an hour earlier you might just as well set the clock for it because it would involve everybody and be far simpler. It is a mighty good idea. Every year we have gone through this kind of a battle with the same lot of horn blowing and eventually we vote for the bill. We might as well do it now and get it over with and conserve the time of the Congress for really important matters.

Mr. JONES of Missouri. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I think the Congress unconsciously and unintentionally creates a lot of confusion in this country. Today we are going into it, however, with our eyes open. Some people would vote to create more confusion by voting for daylight-saving time.

A gentleman referred a moment ago to these poor office workers down here who want to get off when it gets hot, who do not want to work, while the Government pays them. They talk about a poll for the people of Washington and that they want daylight-saving time, but those same people who want daylight-saving time, if they were polled would vote for a 30-hour week or longer vacations or less work and more pay. I am getting tired of this thing of paying for work we do not get any way. I am getting tired of these lobbies of Government workers around here always trying to put on the pressure to make the job lighter and the pay greater. This is just another instance of where they are trying to put something over on the people, and the taxpayers are the ones that are paying the bill. If you want to cut out this foolishness let us go on and defeat this bill and you will find a lot of these other towns getting back on standard time and we will avoid all of this confusion that has resulted because of this crazy, nonsensical idea that somebody is going to save an hour by having daylight saving time. In my opinion this is one of the most foolish things that

man ever thought of. I do not know who was responsible for it, but Congress does have an opportunity to vote down this bill, so let us do it and get back to work.

Mr. McMILLAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MILLER of Nebraska. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Nebraska. I understand the majority leader has indicated there would be no roll call on any bill today. I have been requested by several Members on our side to ask for a roll call, and I am wondering if it would be satisfactory to put it off until tomorrow.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1951

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; and pending that motion, Mr. Speaker, I would like to reach an agreement with the gentleman from New York [Mr. TABER] on time for general debate.

Mr. TABER. I should think we ought to be able, from all I know of demands, to get along with an hour on a side.

Mr. CANNON. Then, Mr. Speaker, I ask unanimous consent that the time for general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3587, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, we have only one chance of winning the next war—if there should be a next war, which God forbid—and that is the same means by which we won the last war—through superior production. The major part of the appropriation carried in the pending bill is for the express purpose of strengthening and accelerating defense production.

The principal provisions of the bill are for additional funds to continue the pro-

gram under the Defense Production Act of 1950. I think all of us realize that in view of the critical situation abroad the support of this program is urgent and imperative.

The Defense Production Act became law on September 8, 1950, about 6 months ago. It was felt that time was of the essence, that we must produce strength and military power in time, and sufficient strength and power, to prevent attack from the outside. So, within the same month Congress appropriated \$30,000,000 to start the program under the new bill.

Out of the spirit of rigid economy which the Committee on Appropriations has adopted and is following, a committee always economically inclined but now especially so, we cut the \$60,000,000 recommended by the budget in half. We appropriated \$30,000,000, on the theory that if more was necessary we could supply it when the time arrived.

In consonance with that idea, we are today recommending an additional \$38,000,000, altogether \$13,000,000 less than the Budget estimate, to implement the act for the fourth quarter of the fiscal year. This is to carry out the program, upon which everyone is now largely agreed, for the last 3 months of the fiscal year.

This amount, with the unobligated balance of March 31, \$3,766,000, provides a total of \$41,766,000 of available funds for expenses of defense production.

I shall speak at this time in detail of only one item, and very briefly on that item. It is the item of civil defense administration which we have cut, more drastically than any appropriation of this character has been cut before within my recollection.

Due to the drastic changes in the program which seem to obviate the necessity of the amount agreed upon when the authorization bill was before the House, we have cut our recommendation on this appropriation from \$403,000,000 requested by the Bureau of the Budget to \$186,750,000. However, we have taken precaution against any unexpected development or any unforeseen emergency by providing an unbudgeted \$100,000,000 which will be available only in the event of a proclamation of emergency, which of course means only in the event of attack from abroad.

The total of the bill here submitted—the third supplemental appropriation bill, 1951—is \$478,586,368, a reduction of \$364,877,211 in the budget estimates. Of the total of something over \$478,000,000 slightly over \$457,000,000 is included under four chapters of the bill. These chapters include items of appropriation for the Departments of State, Justice, Commerce, and the Judiciary; the Treasury Department and the Post Office Department; various independent offices; and the defense agencies.

Individual members of respective subcommittees having original jurisdiction in the matter of appropriations for the various departments and agencies will take up the details of each item of appropriation. However, I might say generally that practically the entire amount recommended in the bill is either di-

rectly or indirectly related to the emergency situation in which the country now finds itself. Smaller amounts are recommended for regular activities of the Government made necessary because of changed conditions developing since the passage of the general appropriation bill for the fiscal year 1951.

There is included under chapter XI—Defense Agencies—the amount of \$224,750,000. Of this amount, \$38,000,000 is for expenses of defense production for the fourth quarter of the fiscal year, made necessary by the enactment of the Defense Production Act of 1950. The bill also includes an increase of \$1,000,000,000 in the present authorization of \$600,000,000 for expansion of productive capacity of private plants through loans and loan guarantees, and for procurement, as authorized under sections 302 and 303 of the Defense Production Act.

The major portion of the total under chapter XI, namely, \$186,750,000, is for the Civil Defense Administration. This is broken down as follows:

Operations.....	\$1,750,000
Federal contributions to States and municipalities.....	80,000,000
Establishment of a procurement fund.....	5,000,000
Emergency fund.....	100,000,000

This program, Mr. Chairman, is of great importance to the Nation, but should be embarked upon cautiously to preclude waste of Federal funds.

As I interpret the Civil Defense Act of 1950, the greatest responsibility should rest with the States and municipalities, with the Federal Government acting principally as coordinator and supplying such assistance as may be required on an over-all basis.

The emergency fund of \$100,000,000 is made available in the event of actual or threatened attack and should suffice for such emergency activities as may be necessary during the early stages.

Mr. Chairman, this bill marks a change in the attitude of the Committee on Appropriations toward defense spending. Up until this time under the pressure of an international emergency—when an attack was to be expected at any minute, a situation in which no one knew at what moment the radio might report hostile planes coming in from the north, and under the necessity of getting ready, and getting ready quickly, we were disposed to agree to requests for the defense program without too careful scrutiny. Under such circumstances we resolved all questions of doubt in favor of expenditure. We had to be ready, and time was short. We did not feel that we could not subject ourselves to the onus should an attack come, of providing too little and too late.

Under current developments we have changed the routine and the formula. We are now checking estimates for the defense program as carefully as we check estimates for any other program. If there is any question of doubt as to the propriety of the proposals received from the Bureau of the Budget and the armed services, we resolve the doubt in favor of economy and against expenditure.

You will note that we have begun to cut and cut drastically, and we are recommending to the House in this bill the

very substantial reduction of \$364,-877,211.

And now as to the changing nature of the emergency. I think all Members of the House will agree that their mail in recent weeks reflects an easing of the tension, a relaxing of the anxiety which gripped the entire Nation at a time when we felt that we might be engulfed in a holocaust of war at any minute. The public and some high officials of Government have begun to feel that there will be no war this year. I am largely in accord. At least I want to be in accord. Perhaps the wish is father to the thought. But like the rest of them, I am hoping that no attack will be made upon us, that no necessity will arise for our defending our own borders within the next calendar year.

But, Mr. Chairman, it must be conceded that this conclusion is not final; that to some extent it is founded on hope, and that there are strong reasons why we might be wrong.

In the first place, if Russia strikes at all, if she launches a war with any hope of success, she must strike this year. Up until this time, up until this year, while America still slept, time worked to the advantage of the enemy. Every day with the enemy steadily and relentlessly increasing its war potentiality, and every day with our armament deteriorating and obsolescent, we grew relatively weaker and Russia grew relatively stronger.

But now that America is at last alert, the situation has changed, and time is working for America. Every day we grow relatively stronger, and with all her efforts, Russia grows relatively weaker. So if Russia expects to strike, the sooner she strikes, before we are completely ready, the more likely her chances of success. With them it is now or never. That is the first reason why we should view with some caution our hope that war will not come this year. For if war does not come this year, if they will give us 1 year we will be to some degree ready—not completely ready, but at least far in advance of what we were at the beginning of the initiation of our defense program. And if they will give us 2 years more, America will be impregnable and invincible. So if any foreign foe expects to devastate the United States its chances grow daily less. If aggression is to come it must logically come this year. And there still remains a date beyond which we cannot consider ourselves safe; we must pass the harvest in the Ukraine before we can consider the possibility of attack this year definitely closed and we have yet to pass that critical date. In this connection, it must be remembered that the enemy always expects to make use of the element of surprise. In all their campaigns the element of surprise has been one of their most effective weapons. Unquestionably if they expected to attack this year, their first effort would be to lull us into a sense of security so that we would ease the speed and pressure of preparation in order that they might take us unaware. So the fact that there are some outside manifestations of a desire to continue the present status for the remainder of this year, is not neces-

sarily a dependable factor. It may be recalled that at Munich in 1938 Hitler talked peace. He talked peace and urged conferences. This year Stalin is talking peace and is urging conferences. It is not entirely beyond the range of possibility that history might repeat itself. So, we cannot be certain. We cannot relax. We must go ahead, we must be strong, strong as never before, if we expect to avoid with certainty a third world war.

There are other disconcerting evidences: Vast stores of supplies, heavy mobilizations of troops are to be observed upon the borders and at strategic positions in Europe. Over in Korea for the first time the Communists have been supplied with a heavy contingent of efficient fighting planes, in quantity and quality never before supplied, and direct from the Russian arsenals.

And it was perhaps significant that at the recent conference of Pan American diplomats here in Washington, every representative from a South or Central American country, many of whom have access to dependable sources of international information, all without exception considered war inevitable. So, Mr. Chairman, we cannot rest on our oars; we must prepare as rapidly as possible; we must prepare for the worst. Then if, happily, our forebodings are not realized, the cost, heavy as it is, will be infinitesimal as compared with what it would have been had we not prepared.

There is another element that must be taken into consideration; that is, the extent of our resources, both financial and natural. In our frantic effort to get ready we might so encroach upon the limit between solvency and bankruptcy as to invite the very situation for which our enemy is planning. The greatest ally for which the Communists might wish, the greatest ally that could come to their assistance, is American bankruptcy. The most effective weapon we can have in this emergency is solvency.

General Eisenhower, that great commander, that great American now in supreme command of all the allied armies in Europe, who is discharging his duties so well and so effectively, expressed it perhaps as well as it could be expressed in a few words when he said:

The problem of defense is how far you can go without destroying from within what you are trying to defend from without.

We are meeting that phase of the situation in this bill. We are reducing this bill as no defense bill has ever been reduced since the initiation of the First World War in 1917. We are attempting to eliminate the nonessentials. In times like these we must draw the belt tight and we must forestall the danger which follows reckless expenditure and inflation, if not repudiation of national obligations, as well as meet the necessity of providing divisions, fleets, and air power.

A further reason why we should view with some doubt the conclusion we are all anxious to adopt—that there will be no general war in this calendar year, is found in the history of our negotiations to end World War II. From 1945 down to the present date we have made every ef-

fort to agree with our adversary. There is an admonition in ancient writ, "Agree with thine adversary quickly." We have endeavored to follow that ancient admonition. We have made every effort to secure an agreement; we have made every concession; we have gone farther and sacrificed more than we should in an effort to prevail upon Russia to sign a treaty of peace. She has refused to sign a treaty of peace. She has refused to sign any kind of treaty. She has refused to agree to any kind of a peace and she has gone steadily ahead in these 6 years expending a disproportionate part of her national budget on armies and armament until she has today the greatest army the world ever saw, until she has produced today the greatest amount of tanks and submarines and planes any nation has ever produced—far in excess of anything, in men and in equipment than the combined allies can marshal. We have continued our futile efforts to convince Russia that we are her friend, that we desired nothing but peace and international comity and commerce under which all the peoples of the world may be free and prosperous.

That was our unwavering policy, the policy of appeasement, until for the first time President Truman issued his ultimatum of abandonment of appeasement and a determination to protect ourselves and the world from aggression and exploitation.

From the delivery of his March 12, 1947, message to Congress carrying the announcement of the "Truman Doctrine" in his recommendation on Greece and Turkey; and especially following the ringing reiteration of his policy of non-appeasement in his inaugural address—backed up by the inflexible enforcement of that policy in all negotiations with the Soviet government, we have pursued an unswerving course of determined defense of every American right and an uncompromising opposition to every attempt at encroachment.

Stalin had been winning without a battle, without a shot vast territories, invaluable privileges, and work concessions for the asking, winning them without a battle, without a shot. The blunt ultimatum of the President stopped him. It was the end of easy confiscations, of lush concessions, of international impositions. From this time forth Russia will violate international law only at the point of the sword. The President of the United States has put an end to international brigandage and piracy.

Communism can no longer continue its policy of imperial conquest and world domination except through a resort to arms. That is the only alternative. And that is what we must be prepared for. And that is what this bill is for.

Today, Mr. Chairman, when we look back at the record of these last 6 years, and it is 6 years this week, we cannot but be impressed with the results of the splendid diplomacy and the unvarying success of the policies of President Truman. In the years to come, when the history of this era is written, he will rank as one of the greatest Presidents who has presided in the White House since Lincoln.

He has avoided a third world war. He has brought to this country unexampled and unprecedented prosperity. He has given us the highest standard of living any people have ever enjoyed. He has stopped the spread of communism. He is curbing inflation. He has brought about a policy under which labor and management, if not in agreement, are at least working in harmony and unison. He has brought to the farmers of America fair prices and adequate markets. He has balanced the budget and there is a surplus in the Treasury. He has reduced the necessity for exorbitant taxes, which a few months ago threatened to become all but confiscatory.

With due regard to the long line of great Presidents who have sat in the White House since Abraham Lincoln, you cannot point to any man whose policies have been so successful and who has achieved his objective so completely under such heavy burdens and against such seemingly insurmountable obstacles as has President Truman.

Let us examine the matter in some detail.

If I should ask the men sitting here in this Chamber this afternoon or if I ask the country at large, "What is the most important issue before the American people today? What one single thing do the people of this country most desire?" There is no doubt as to what the answer would be.

They would say, without a doubt, "Freedom from war—avoidance of the third world war." And that is the answer. It is the supreme issue in American politics today.

It is only necessary to glance across the Continent of Europe to realize what is at stake in that fateful issue. A notable feature of German diplomacy was that for centuries every war they fought was fought outside their own country. They devastated their neighbors. They laid waste the country and resources of their enemies. And when the war was over, even when Germany was defeated, they came back to a home country undisturbed, not a bridge destroyed, not a railroad rail moved, not a brick or shingle out of place.

But in this last war, for the first time, due to the development of modern warfare, we fought the war in Germany, and as a result, Germany today is a scene of the most terrible wreckage I have ever witnessed. Magnificent cities, the finest in Europe, are heaps of rubbish and piles of broken brick and mortar. They had to use bulldozers to clear even one street through Berlin.

America, in the last century, like Germany, has always fought her foreign wars on the other side—never in this country. But when the next war comes, if war comes—which God forbid—it will be fought in this country as well as abroad. General Vandenberg—and no one is in a better position to make an estimate of the situation—said that in spite of all our radar fences, our walls of shipping, our networks of communication, and our clouds of interceptor planes, 70 percent of the enemy planes carrying atomic bombs would get through. We might as well face that fact. Every center of production, every

center of wealth and population would be devastated. We have only to look at the cities in Germany to see how the cities of America would look within 1 week after war started.

Up to this time, in spite of the greatest peril and notwithstanding the universal expectation of immediate war, under Truman's policy our alabaster cities, stretching across the continent, still "gleam from sea to sea." The American people want to keep them that way. And if the American people appreciate anything at all they appreciate the magnificent statesmanship of a great President who under heavy handicaps has preserved them.

We must avoid war. War would bring not only unspeakable material devastation, but it would destroy millions of civilians who would die—men, women, and children—without notice and without hope of defense, as they died in Rotterdam and Frankfurt and Hiroshima and a hundred other cities in the last war.

The President has rendered a service never to be forgotten in preserving and protecting the country thus far, and if the policies which he has been following in order to achieve safety for our Nation are continued he can and he will avoid for all time to come a third world war. Let us strengthen his hands as Aaron and Hur upheld the hands of Moses in Israel's hour of need.

Oh, some have said we should not have held the line in Korea; that we should have cravenly retreated and turned the country over to the enemy; that the President should have permitted Russia to add one more satellite to her string of enslaved nations. But I would have you remember that never before in history have two nations worked feverishly, day and night, to prepare for war, building all the paraphernalia of war, and mobilizing men for war, as Russia and America are preparing and building and mobilizing today—without eventually crashing headlong in a conflagration of death and destruction. That war must come unless the diplomacy we have been following can save us. If it cannot, if war must come, I ask you, Mr. Chairman, should we have fought the war in Korea or should we have fought it in America? If we had retreated from Korea, if we had given over to the barbarians for exploitation the country which we had entered into a solemn treaty to defend, it would have merely postponed the evil day of reckoning. It eventually would have to come to us, not in Korea but in America. Who shall say that the President, in holding the line in Korea, in compliance with the terms of our solemn treaty obligations, was in error?

Why, you still hear, "Bring the boys home from Korea." In all the history of American diplomacy never was there a more craven, a more mistaken slogan—"Bring the boys home from Korea," when we have demonstrated in Korea the superiority of American arms; when we have made a record for gallantry and for military effectiveness which no predatory nation can ignore. I say to you, Mr. Chairman, that in holding the line in Korea, in keeping our boys there, in winning against incredible odds, the Presi-

dent of the United States has pushed back world war III. Certainly, if the President's policies are continued, we will have avoided world war III for all time. We will have defeated communism. We will have turned back aggression. We will have established again freedom for free peoples in a free world.

Oh, I know we could have deserted our allies. We could have come home and skulked within our own borders, as many of those misguided partisans suggested, until finally, after Russia had taken everything—and nobody denies that without our help she would have taken all Europe long ago—then, like a cornered rat, surrounded and isolated, without friends, without help, without munitions and steel and bases, which we must draw from our allies throughout the world, we would have been exterminated. Our Government, our great freedom, our wonderful civilization would have been extinguished, as throughout history great nations and great civilizations have been annihilated by ruthless barbarians, and it is not impossible that if such isolationist policies are followed an American counterpart of the Emperor Augustus may, when it is too late, lift his hands in an agony of remorse crying "Oh Varus! Varus! Give me back my legions. Give me back my legions."

The thanks of the American people and the thanks of the world are due the President of the United States for his policy of defense, for his wise and determined adherence to it in the face of all the cries of "Abandon Korea," "Bring the boys home," "Talk it over with Russia." Such a course could lead only to certain disaster. Korea has rendered the same service rendered by Pearl Harbor. Pearl Harbor awakened us before it was too late and made it possible for us to get ready in time; Korea has awakened us and made it possible for us to get ready, and the President of the United States has made the most of the advantage thus afforded us. He deserves the support and the appreciation of every American regardless of political affiliation.

What is the second issue in which the American people are interested? The people of the United States do not want another war; they want to avoid war No. 3. What next do they desire?

They desire prosperity; they ask for security; they ask for opportunities for themselves and for their children, and that the President of the United States has given them in abundance, such abundance as the world has never seen. Never before did the common man, the average family, have as much as it has today. Who will deny that? The average man, the average family in America today enjoys not only the necessities of life, but luxuries and advantages which even kings and potentates of former years did not possess, and the President of the United States by his consistent policy has made that possible. It does not matter whether you call it the Fair Deal, the raw deal, or something else, he has adhered to a policy and it has given America the greatest prosperity any people in any land in any age ever knew.

And then perhaps the third issue most in demand today, at least one, of the issues, in which the American people are

deeply interested and which they greatly desire, protection against communism. Communism had insidiously infiltrated every corner of every country. When Truman became President it had the upper hand in practically every nation in Europe. England would not go quite so far, but England did go socialistic. France at one time had in her Chamber of Deputies a majority of Communists. So great was their control in Italy and in all adjacent countries that defense against communism seemed all but hopeless. Yet the President of the United States has united the free nations of the world against communism. In this combination to exterminate communism, many of you along with me attended the sessions, and saw the treaty signed, the beginning of that great campaign to free the world from communism. Since that afternoon we have witnessed the rapidly accelerating success of that policy. We have seen France again freed from communistic control, though there are still Communist deputies in her legislative halls. We have seen Italy in a life and death struggle overthrow the communistic power. We have seen all our allies under the leadership of the President of the United States, under the policies embodied in the treaties which he and they have signed, destroy slowly but surely the power of communism in every part of the world.

Never in recent years has communism been so impotent as it is in America today.

Then President Truman has balanced the budget. The increase in tax receipts and the decreased nondefense expenditures as estimated following publication of taxes paid the last month indicate a balanced budget for the year. It is now apparent that instead of a prospective deficit of \$2,700,000,000 there will be a surplus of \$3,000,000,000 in the Treasury at the end of the year. The receipts of the United States Treasury have skyrocketed under the policies of the President. Those increased receipts come from increased prosperity; they come from increased earnings, not of any particular class, not merely the great corporations, but of the daily laborer and wage earner and businessman, large and small—all under the tremendously successful policies of the President of the United States.

In fact, the totals for the 5 years of his administration show a net surplus of \$1,000,000,000, notwithstanding an ill-advised reduction in taxes 3 years ago. He has secure results. He has brought such comfort, such happiness, and such opportunity to the American people as no country and no people ever enjoyed before, and this under the administration of President Truman.

Oh, we can cast partisan and personal and petty reflections upon a great President, but his record is not in things said. It is in things done, in great policies carried out to successful conclusions, and in great objectives accomplished.

And he is effectively disposing of one of the most dangerous developments of our times—inflation. Inflation was hopelessly dislocating the national economy. Today fears are subsiding. Only a few weeks ago the businessmen of the

Nation were in terror. Government spending, despite all these war costs, turns out not to be an inflationary force as was expected and the spiral of advancing prices is reversing. Expansive pressure occasioned by war is being deflated. March tax collections ran 50 percent higher against those of the same period last year and we have a surplus instead of a deficit.

The rapidity with which production proceeds, on the farm and in the factory, the direct result of the policies of the President, is building up inventories and curbing inflation at its source. What cures inflation? It is the production of goods; it is the accumulation of inventories in advance of any demand, and that is what we have today in increasing ratios. Inflation is subsiding.

And then the disagreements between labor and management. No situation could require abler statesmanship. There have been those who said that the President was a partisan—that he favored labor unduly and unfairly. And there were those who insisted he was subservient to management.

But that was some time ago. Ah, my friends, have you seen anything in the papers recently about the President favoring either labor or management? Can any one say that the President has been particularly responsive to either labor or management? What has become of all those hysterical charges bandied about so freely? Are there any strikes today? Any lockouts? Labor is receiving the greatest wage it ever earned. Management is declaring record dividends. And while there are, of course, a few things about which labor and management are in disagreement, that is to be expected. No human institution is 100 percent perfect. But under the mutual cooperation of labor and management American industry is today producing the greatest amount of goods of the greatest value ever produced in this or any other country.

President Truman's administration has likewise paid a fair wage and a fair return on investment on the farm. Parity is assured by statute and legislation is now being drafted in the House to adjust ceiling prices on farm products to meet changing conditions. And last, but not least, the American taxpayer has been accorded exemption from expected taxes due to a Treasury surplus derived from a surplus accumulated through increased national prosperity and decreased national spending.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. May I say in conclusion that judged by any criterion of national safety or national prosperity, by any yardstick of accomplishment or statesmanship, President Truman ranks today and will rank in history as one of the greatest Presidents to occupy that exalted office.

Mr. TABER. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I have just a word or two to say about the bill.

The budget estimates called for \$843,000,000. The appropriations recommended are \$478,000,000, or a cut of \$364,000,000. In other words, there can

be no question in my mind that the Committee on Appropriations showed in the handling of this bill some respect for the taxpayers of the United States.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. The gentleman is aware of the fact, as has been stated many times on this floor, that when the estimates come to us they are the ceiling beyond which we are not expected to go, and we are supposed to cut and expected to cut, and have always cut, as far below them as possible.

Mr. TABER. I wish that that were correct. In this particular case, I am inclined to believe it is correct. There may be individual items that someone could cut a little further, but taking it by and large, I think the committee has done a good job. There are a few items here that I want to talk about. I am not going to spend any time talking about the cut on the so-called Voice of America. I am going to leave that for whatever the gentleman from New York [Mr. ROONEY], the gentleman from Nebraska [Mr. STEFAN], and the gentleman from Ohio [Mr. CLEVINGER] may see fit to say. I believe the cut is thoroughly justified, that it relates to items not well thought out or well planned, and with reference to which the managers of the set-up had little if any definite, positive understanding on which an appropriation might be based.

There are a number of small items in the bill. The large item with reference to the war agencies has been cut where it could be cut.

There are some items on which there might be some dispute. But taking it by and large all of the reductions are thoroughly justified.

The item of civilian defense has been provided for in a way which, in my opinion, will take care of whatever needs there are. The sum of \$186,750,000 has been allowed, which represents a cut of \$216,250,000.

An emergency fund has been set up so that in the event of dire need the President might use it and might distribute it wherever it might be necessary.

Important and really necessary requirements of present protective facilities and communications equipment are provided. I believe they will be able to do the things that they need to do without any trouble. There is no question in my mind but that their recruitment program was altogether on a too liberal basis, and that they needed to have some restraint. I believe they will have money enough to do the things that need to be done.

I would like to spend a little time discussing the items of the Independent Offices appropriation where the third largest cut has been made.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JAVITS. I notice a sentence in the report which troubles me. I wish the gentleman would speak on it. It is to be found on page 36, with reference to taking over this warning system by

the civil defense authorities jeopardizing the function of the Air Force. The question I ask the gentleman is this: Is the committee satisfied that the retention of a warning system by the Air Force will not jeopardize the civilian population? Does this work both ways? Can the job be done for the civilians, though the warning system remains where it is?

Mr. TABER. The picture is this. You might just as well realize that the up-to-date method of warnings against airplanes and that sort of thing is through the use of radar. Civilian defense cannot be given that job. The use of radar is something that has to be handled by experts who are trained. I do not see how that sort of thing could in the slightest degree be turned over to any other group.

Mr. JAVITS. If the gentleman will permit me to clarify the question—because apparently my question is not clear—a warning system in the United States going to civilian centers is something which is in addition to the radar system and derives from the radar system. The question I ask is: Just what is being done on that, if we pass this bill?

Mr. TABER. There is plenty of money in the picture for those people to do anything they would need to do. There is a set-up for whatever communications might be necessary. We provided \$5,000,000.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COX. Is there anything in the bill that is controversial, other than the item allowed for the Voice of America, and is there to be any effort generated in the committee to put back the appropriation that was deleted? In other words, as I understand, the bill originally carried an item of \$90,000,000 plus for the Voice of America. Your committee, in its wisdom, cut the amount to \$9,000,000. I think you were very generous in allowing that amount.

Mr. TABER. I agree with the gentleman.

Mr. COX. Is there any member of this committee who is interested in putting back into the bill the amount which was carried in the first instance?

Mr. TABER. I hope not. I do not know. I have not heard today whether there is or not. In the committee there was someone who talked about it.

Mr. COX. The Voice of America might be a very important adjunct to the State Department, but unfortunately we have no State Department that enjoys any measure of public confidence, and the Voice of America, because of the type of programs, is not entitled to much respect or much confidence.

Mr. TABER. We need an anti-Communist program in that Voice of America, and we are not getting it.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, this is the third supplemental appropriation bill for the present fiscal year. We have had the regular appro-

priation bills. We have had the first supplemental appropriation bill. We have had the second supplemental appropriation bill. We are now considering the third supplemental appropriation bill, which, as the gentleman from New York [Mr. TABER] has pointed out, originally included requests for over \$843,000,000.

Your committee recommends appropriations in the amount of \$478,000,000, a reduction of over \$365,000,000, or approximately 43 percent.

I think this is a step in the right direction.

Mr. Chairman, as a result of policies which the New Deal and Fair Deal administrations have pursued in recent years, America today is confronted on the one hand by the armed might of the Communist Government of Russia and its satellites, and on the other hand by an enormous and increasing national debt, carrying with it the threat of destructive, Nation-wide inflation.

We are left between the two horns of a dilemma.

We must spend and spend heavily in order to make America powerful, in order to make our allies powerful, as the best possible insurance against world war III, as the best possible guaranty of victory if anyone should be foolhardy enough to precipitate war with America. On the other hand, we must eliminate all nonessential expenditure, we must defer every cent of expenditure that can be deferred, we must do everything in our power to eliminate the danger of inflation, which could destroy us from within.

I think the hearings on this bill are interesting in showing the program, and the progress realized by the defense mobilization organization, in the face of this twofold problem.

Generally speaking, the organization has been largely completed; plans have been prepared; specifications have to some extent been written; and the placing of orders has begun.

Time does not permit going into detail as to the defense mobilization organization.

I may mention in passing, however, that at the top of the organization is the Office of Defense Mobilization under Mr. Wilson, a small office with 50 or 60 people financed to date by \$200,000 from the President's emergency fund.

Under that office on the one hand is the Defense Production Administration under General Harrison and on the other hand the Economic Stabilization Agency under Mr. Eric Johnston. General Harrison is Mr. Wilson's deputy in reference to production. Mr. Johnston is Mr. Wilson's deputy in reference to stabilization.

Much of the work of the organization is to be handled by the regular agencies of the Government. Twelve different agencies, most of them regular agencies, are included in the requests made for the work of the defense mobilization organization.

The requests of these 12 agencies amounted to \$51,000,000. Your committee recommends an appropriation of \$38,000,000, a reduction of \$13,000,000, giving a total of about \$68,000,000, in-

cluding previous funds for the present fiscal year.

You will find at page 33 of the committee report a breakdown of the recommendations made in respect to each one of these agencies. You will note that requested appropriations are not only cut but that the amount allowed in many instances is divided between a part which is to be covered by appropriation and the balance which the committee expects the agency to absorb.

I may also mention in passing that in addition to the new functions which the regular agencies of Government are expected to assume, there have been created the National Production Authority with a contemplated force of between 7,000 and 8,000 functioning in the role that the War Production Board filled during World War II; also the Defense Transportation Administration with a contemplated personnel of about 230 playing the role that the ODT played in World War II; also the Wage Stabilization Board with a contemplated personnel of about 2,000, and the Office of Price Stabilization playing the part played by OPA in World War II with about 3,300 people at the present time and a contemplated over-all force of 16,200.

I want also to emphasize, that the Defense Production Act with a view to assisting the expansion of production made provision for accelerated tax amortization; for loan guaranties; and for direct loans, purchase agreements, and the installation of Government-owned equipment and plant facilities.

The record shows that to date something like \$2,700,000,000 of accelerated tax amortization on the basis of 20 percent per year has been authorized through 600 certificates. It indicates also about \$128,000,000 in loan guaranties and, further, that it is contemplated that about \$1,600,000,000 will be made available during the present fiscal year either by direct loans, by purchase agreements or by the installation of Government-owned equipment and plant facilities.

Mr. Chairman, the authorization represents an enormous sum of money. It can have a tremendous effect on our economy. It offers a tremendous opportunity for waste, for favoritism, and even for corruption.

It can be justified only as an emergency matter. In the light of recent developments in the National Government the greatest possible care must be utilized in making funds available.

Now, what about the twofold problem confronting the defense mobilization organization?

Mr. Wilson is optimistic in respect to essential production.

He indicates that we are moving about as fast as he thinks is practicable without undue injury to our economy as a whole. In the month of January last orders were placed to the extent of \$5,700,000,000. He looks forward before long to a gross national production of above three hundred and twenty-five billion, fifty-odd billion of the total to be for defense purposes. He believes this can be done by utilizing about 20 percent of our gross national production for

defense purposes as compared with 45 percent utilized during World War II.

In his report of April 1 Mr. Wilson is also optimistic in reference to the progress being made by our allies overseas.

He refers to the threat of economic collapse in Western Europe 3 years ago. He states that as of the end of 1950 industrial production in Western Europe was at 140 percent of prewar production and that agricultural production for the current year is expected to amount to 110 percent of prewar production. He states that military production has doubled since the approval of the North Atlantic Treaty. He believes it will be doubled again in the current year. He adds that under MDAP this country has furnished to more than 20 nations in Western Europe something like \$6,500,000,000.

What about the other side of the picture—stabilization?

If I understood the distinguished chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON] correctly, he asserted a brand-new philosophy. I understood him to say that this administration has licked inflation and that from this point on we can anticipate deflation.

Mr. Wilson, director of Defense Mobilization, with his great experience, does not seem to share that point of view. I quote from Mr. Wilson:

The production side of our task is in many ways the less difficult. A tougher test of our ability to survive the present crisis lies on the other side of the problem—stabilization.

The success of our production effort demands that we win the battle against inflation.

If we get run-away inflation then I am sure that Stalin will win.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WIGGLESWORTH. Mr. Chairman, this thought is emphasized repeatedly by others who appeared before the committee. It is apparent from their testimony that the steps which have been taken to date are entirely inadequate, and that the problem must be attacked from all possible directions through a comprehensive program.

Incidentally, it is perfectly clear that it is considered that price controls in and of themselves are not sufficient and that they will prove to be ineffective in the long run in the absence of proper controls over credit, over currency, and over Federal spending.

Mr. DiSalle, Director of Office of Price Stabilization, had this to say:

I have said many times that price controls will not defeat inflation in and of themselves. * * * Price controls will never do the job alone.

Mr. Eric Johnston, Economic Stabilization Director, had this to say:

I do not think you can hold this for a protracted period of time—I do not care what Mr. DiSalle does—unless you have a sound fiscal and monetary policy.

We have largely financed what we have done up to now by depreciating your insurance, your money, and everything else.

There isn't a prayer in hades of doing the thing unless you can achieve a reasonably

balanced budget in a reasonable length of time.

Mr. Chairman, we all know we are confronted by an enormous national debt of something like \$257,000,000,000. We know that we are facing the possibility of huge deficits. We know that until recently, at any rate, this administration has insisted upon a policy of low interest rates; upon a policy of supporting Government bonds at par or better; upon a policy of compelling the issue of credit or currency against those bonds.

We are advised that there are some \$27,000,000,000 worth of currency in circulation at this time; that there has been an increase of \$8,500,000,000 in commercial loans since the Korean war started; that in the year 1950 \$250,000,000 worth of E bonds were redeemed in excess of those issued by the Government; and that in the month of January alone there was an excess of bonds redeemed over those issued of some \$90,000,000, equivalent to an excess of \$1,020,000,000 on a 12-month basis.

Prices showed "a rather meteoric increase," according to Mr. DiSalle, Director of Price Stabilization, during the months of November, December, and January.

Prices since the outbreak in Korea have risen 43 percent on the commodity index, 15 percent at wholesale, and 7 percent at retail.

Inflationary pressures are expected to increase tremendously in the next fiscal year because of increased Government expenditures.

The Bureau of Labor Statistics shows that the dollar today has a purchasing power of 55.1 as compared with 99.8 in 1940. The value last June was 58.8.

It is amazing, Mr. Chairman, that more was not done and done promptly after the Defense Production Act was passed on September 8, 1950, turning over enormous powers to the President. The record indicates that except for regulations on a voluntary basis, which Mr. Johnston says "My predecessor tried with rather disastrous results," no step whatever was taken in the field of price control from September 8, 1950, to January 25, 1951, 4½ months, in spite of the rather meteoric increase in prices referred to.

It is also amazing, Mr. Chairman, to see the attitude of agency after agency appearing before your committee.

Generally speaking, every agency that appeared before the committee was willing to contribute to national defense, provided the committee did not reduce its regular Government activities and provided it received additional funds for additional people.

Instance after instance will be found in the hearings of failure or refusal to economize on regular activities.

Transfers from regular functions to defense functions have been very few indeed, and in large part when made have been made at increased ratings.

Mr. Riley, Chief of the Construction Statistics Division of the Labor Department, when asked how much his division had returned to the Treasury, said: "Well, we have not—it seems to me that all of the data we are producing is a basic function."

Mr. Ratcliff, Research Director of the Housing and Home Finance Agency, when asked why his and similar divisions needed extra funds to do defense work, said: "Well, the only option would have been to abandon a part of their work."

Mr. Dodson, budget officer of the Labor Department, when asked about any curtailments, said:

The entire work we are doing in the Department of Labor is of a nature that becomes more important during an emergency.

Mr. Kilguss, Deputy Administrative Assistant Attorney General, admitted that not a single employee in the Justice Department had been transferred to defense activities.

Mr. Reynolds, Commissioner of Public Buildings Service, when asked whether any departments had given up space for defense purposes, replied:

Not as yet. Not enough, that is, to make an impression upon my memory.

These responses are typical, Mr. Chairman.

Your committee has inserted language in the bill which makes provision for such transfers from regular activities of each department and agency as may be required to carry out national defense activities assigned to that department or agency. The committee expects that, in preparing estimates for fiscal year 1952 for activities under the Defense Production Act of 1950, as amended, or other defense activities, the Bureau of the Budget will instruct all departments and agencies of the Government to adhere to the policy recommended herein of absorbing the costs of such activities, or of otherwise contributing to defense efforts.

Recently, Mr. Chairman, the Committee on the Joint Economic Report, consisting of eight Democrats and six Republicans, called for a slow-down in non-defense spending by the Truman administration to stop galloping inflation.

We cannot—

The committee said—

permit the cost of living to continue to rise, nor can we pile a new national defense debt on top of the unpaid debt of World War II without creating the very conditions upon which the dictators of the Kremlin are relying to destroy the economic basis of this Government and thereby the hope of a free world.

Mr. Chairman, the battle against inflation has not been won. If the battle is to be won, every agency in the executive branch of the Government must play its part. As a matter of fact, the executive branch of the Government should set the example.

Every agency must eliminate nonessential expenditures. Every agency must defer work that can be deferred. Business as usual is impossible; complacency can prove disastrous.

Inflation can weaken and destroy us from within. We must do everything in our power to overcome it. Never before was it more important to maintain a strong and powerful America.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, before referring to one of the most controversial items in the bill, if we are to believe

the press and radio, the matter of the appropriations request for the so-called Voice of America, I wish to discuss one or two of the other items contained in chapter 3 of this third supplemental appropriation bill for 1951 fiscal year now pending before you for your consideration and approval or disapproval.

The first is with regard to the Civil Aeronautics Board, wherein the Committee allowed the full amount presently requested, to wit, \$25,000, to finish out the Board's activities in fiscal year 1951. It will be recalled that a year ago this subcommittee in connection with the regular annual appropriation request for the Civil Aeronautics Board saw fit to cut that request of \$4,323,000 at that time to \$3,500,000, a reduction in funds to the extent of \$823,000. At that time, as now in the case of the Voice of America, a great part of the press of this country was highly critical of the committee's action. They said we were ruining and gutting the life out of the Civil Aeronautics Board.

I should like to specifically point out to you certain testimony given before this subcommittee on this very pending bill, at page 348 of the hearings, with regard to the activities of the Civil Aeronautics Board, following our cut of a year ago to the extent of \$823,000.

I asked the following question:

How is that alleged imposing backlog coming along?

We suspected, may I interpolate here, that at that time the backlog was a phony carried for the purpose of getting dollars out of the Treasury by way of the Appropriations Committees of the Congress.

Mr. Delos W. Rentzel, who is the present and able chairman of the Board, gave this answer:

Mr. RENTZEL. We admit some of it was paper backlog. We are trying to get rid of those. A lot of those cases are cases which were filed for defensive reasons.

Mr. ROONEY. You are not trying to flatter the committee, are you, Mr. Rentzel, by pointing out that a lot of the backlog was paper backlog? We were the first to suspect that.

Mr. RENTZEL. I am aware of your criticisms and I might say that we took the committee report last year and attempted to meet each one of them that we could. I was going to explain that some of the applications on hand are for defensive reasons, defensive cases, which have been filed by the carriers to protect themselves in the event someone else filed for a particular route. We are trying to get rid of those by asking the carriers to drop the cases by more clearly defining policy, which would eliminate a lot of cases that are filed for reasons of lack of understanding of the policy.

Mr. ROONEY. It is quite amazing that last year you requested \$4,323,000, and when I say you, I mean the then Chairman of the Board, requested \$4,323,000 and the Congress saw fit to allow you only the amount of \$3,500,000, a reduction, a terrible and deplorable reduction of \$823,000 and now we find out that the organization is functioning quite well.

Mr. RENTZEL. I can only say one thing, Mr. Chairman. You can make any agency function on any amount of money. It depends on what the workload is.

Mr. ROONEY. You have just told us how well you were getting along and how that backlog was disappearing.

Mr. RENTZEL. We hope it will continue to disappear.

I bring this to your attention in connection with the present newspaper and radio criticism of the action of the committee in regard to the requested appropriation for the Voice of America. Mostly all cuts in appropriation requests cause public clamor but many save the taxpayers' dollars.

Secondly, I should like to invite your attention to the fact that the committee has seen fit to cut the appropriation requested for the Federal Bureau of Investigation by the amount of \$400,000. This cut will not interfere whatever with the increased work and better operations of the great Federal Bureau of Investigation, for which Bureau and its capable Director and staff the committee has the highest regard and respect. The money allowed, to wit, \$6,147,000, will permit this important Bureau to continue until the end of the current fiscal year on a 6-day week. We have also allowed in this appropriation funds for the services of 1,260 new agents and 1,373 new clerks. The cut of \$400,000 is directed at only one matter, the matter of a request for 945 new and additional automobiles with equipment for each, such as two-way radios, and so on. The committee has seen fit to furnish funds for 700 new automobiles, and I am given to understand that there will be no controversy with regard to this cut since that number is sufficient to provide automobiles for the new agents hereinbefore mentioned.

Now, with regard to the so-called Voice of America, so that you understand this matter clearly, I wish to read to you from the report of the committee. This matter has been entirely misrepresented in the press and on the radio. We are not in favor of weakening the Voice of America. If you will turn to page 7 of the committee report you will find the following:

International information and educational activities: In the "Supplemental Appropriation Act, 1951," \$41,288,000, the full amount of the budget request at that time, was allowed for "Establishment of radio facilities." It was then represented that this amount plus \$3,399,184 previously provided, would be sufficient to complete construction of seven certain radio construction projects designated as Able, Baker, East, Dog, Cast, John, and Jade. The present supplemental budget request in the amount \$97,500,000 includes the sum of \$9,533,939 represented to the committee as being required to meet price and cost increases to complete these facilities. The remainder of the requested \$97,500,000 (plus \$1,000,000 previously placed in reserve under sec. 1214) was asked for construction of 13 additional radio facilities.

Testimony before the committee indicated that lack of proper planning, poor management, and avoidable delays in the execution of plans and contracts have been considerable factors occasioning the necessity of the request for over \$9,500,000 additional for the above projects for which \$44,687,184 in appropriations have already been made.

The testimony also indicated that all of the sites for the requested 13 new and additional facilities for which \$88,966,061 was requested, have not as yet been selected. In fact, the committee was informed that no definite determinations have yet been made as to the countries in which some of these proposed facilities would be located. It was

further testified that a number of these planned facilities might be located on ships, although, on questioning, the committee was given only vague and incomplete estimates of the number and the costs of such facilities as compared with land installations. Field tests of the transmitters proposed for the planned facilities have not as yet been made. Such tests are now scheduled to be made this month. The material submitted to the committee in support of the estimate lacked definiteness and was so devoid of specific data that it could not be considered a plan of action.

The so-called Voice of America has received the support of this committee since its inception. The committee fully believes in a strong, effective Voice of America. It feels that there is a great need for combating the insidious propaganda emanating from the Kremlin by making the truth available to those behind the iron curtain and to mankind the world over. It wholeheartedly believes that, properly managed and directed, the Voice of America is the best medium for accomplishment of a campaign of truth that has yet been conceived. However, the committee must say that it is very much disappointed in the accomplishments and progress made to date. Mismanagement and poor planning with regard both to the engineering and to the administrative phases of the program have cost valuable time as well as dollars.

In view of the foregoing facts, the committee is including only the amount \$9,533,939 in this bill to permit completion of the seven projects previously authorized and for which considerable sums have already been expended or obligated. It hopes that the Department will exert every effort to complete these projects at the earliest possible date, take the necessary steps to overcome the weaknesses set forth in this report, and return to the Congress as soon as possible with a more intelligent and better planned program.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ROONEY. In the meeting of the full Committee on Appropriations last Friday I gave specific instances of grossly improper management, where taxpayers' dollars were just thrown down the drain pipe by the people in charge of this program. At that time I merely recounted two or three instances, and I am prepared on this floor today to furnish you with quite a few more that would be appalling. I do not have the time to go into them at the moment in view of this limited debate. If an amendment should be offered to this bill to increase the funds, I can assure the members of this Committee of the Whole that we will have on hand the facts and figures with which to defeat such proposed amendment. I doubt that such an amendment will be offered when the bill is read paragraph by paragraph under the 5-minute rule.

I want to point out that in the full Committee on Appropriations there were only three votes on a roll call in favor of an amendment pending before that committee which would have reinstated the entire \$97,500,000. The gentleman from Georgia [Mr. PRESTON], the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Nebraska [Mr. STEFAN], and the gentleman from Ohio [Mr. CLEVELAND] are quite conversant with this program, and we do not need any so-called experts or advisers to get

together hurried reports on the eve—yea, over this very week end, to claim that the people running this program are, as far as they know, the ablest administrators in Government. We do not need that at all. We have the facts. We know this program. This is the sixth year in which I have sat as a member of this subcommittee handling appropriations for the Department of State and I think I know something about it.

As far as the editorials and the abuse heaped upon the committee for its action in this matter in insisting that we know what we are buying with the taxpayers' dollars, I can take that abuse, as far as that is concerned.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I would like to talk on all phases of the third supplemental appropriations, dealing with the Departments of State, Justice, Commerce, and the Federal judiciary, but time will not permit me to cover all of those agencies.

However, the appropriation of nearly a half a billion dollars is a lot of money, but the fact that the committee has made very substantial reductions will bring some hope to the people, to the taxpayers of the United States. Lenin's statement to the effect that Russia would not need to fight America but that America would destroy itself by going bankrupt, means something.

I want to confine myself to what is alleged to be a controversial item in this bill, namely, the appropriation for our Information Service, a service which we are hoping to strengthen and make effective, in order to bring the truth about America to the world. The hearings on this deficiency bill are clear as to what we have previously appropriated and what we propose doing in making this Voice of America strong.

In the past few years we have appropriated over \$225,000,000 for this Information Service. With requests that are being made now for the next fiscal year, including the money we are appropriating here, \$9,500,000, the program is starting toward a point where future spending will be more than 50 percent of all State Department activities.

The people in the United States know something about this Information Service, for the agency has made over 375 speeches all over the United States in 17 months telling the people of the United States how good the Voice of America, the Information Service, is. So the people of the United States are informed.

These hearings "Supplemental Appropriations for the Department of State, Information Service," will show you that they are requesting another \$115,000,000 for next year. There is really no real lack of funds.

Your committee has lived with this thing many years, ever since its inception, as your chairman has said. We are friendly to the program; we want to make it effective; we are not trying

to scuttle it. We gave the Voice of America every cent they asked for last year to stop Russian jamming. The Information Service is engaged in various activities: Motion pictures, exchange of students and professors, libraries, and so forth. But what we were up against last year was the fact that the Russians had started a jamming operation of our radio transmitters which were sending messages of truth to Russia. So the request here is for more money for more radio transmitters to overcome this jamming. The scientists and experts of MIT who came before us said they had made a survey, that they needed more radio stations to make our voice more powerful in the hope of overcoming this jamming, and we are giving them \$9,500,000 in addition to what they have got now which they have not expended, in order to catch up with their anti-jamming operations. These experts say there is no real cure for jamming; that we can spend this money and get one step ahead of the Russians, but they have another additional plan. The hearings will disclose that if the Russians spend dollar for dollar with the United States they can perhaps continue effectively with their jamming operations. To make effective our information service there should be coordination. This Information Service of the Department of State is not the only Voice of America we have. The ECA and the Marshall plan are spending many millions of dollars for a similar program. HICOG also has a program. There is duplication in several instances. There is a program up in Massachusetts; there is also a program in the United Nations, the sounding board over which we have apparently no control. We are not in psychological warfare yet, but your committee is endeavoring to set this up to be available to the Armed Services when and if they need psychological warfare.

Four or five Voices of America uncoordinated is too big a job to disregard. The Russian delegates to the United Nations, where there is a United Nations program, use that as a sounding board to preach communism, not only in all parts of the world but also here in the United States, by the voice; by the spoken word, by the visual picture of television and motion pictures. Our rebuttal is very weak. We need a coordinated program which we must put into effect. As of now the State Department is handicapped by too much duplication.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. STEFAN. Mr. Chairman, I warn you that this Congress has to bring confidence back to America by coordinating all our efforts to make friends all over the world. Let us coordinate the efforts of our agencies now operating all over the world if we want to bring friendship and confidence to America.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Will the gentleman give us his estimate as to the relative effectiveness of the two main programs you have described? Which is doing the better job—the ECA program or the regular Department of State program?

Mr. STEFAN. The Department of State.

Mr. JUDD. It is doing the better job?

Mr. STEFAN. In my opinion.

Mr. JUDD. Everything that the gentleman and others have said here today in criticism of the information program was said in the debate 4 years ago when we passed the Voice of America bill. In the gentleman's opinion, why is it that this program somehow or other has not succeeded in doing well the job that everybody wants it to do? What is the reason for it?

Mr. STEFAN. I could stand up here for an hour and give you my own opinions, but unless you eliminate this duplication, the program cannot be effective.

Mr. JUDD. But why has it not been able to gain the confidence of other people and win respect and good will for our country?

Mr. STEFAN. With the money we are spending for personnel we should be able to employ the highest type of propagandists in the world. But there should not be too many different Voices of America competing with one another.

Mr. JUDD. That is the point, the Congress has furnished the money but still somehow or other an effective job is not being done. What is the trouble?

Mr. STEFAN. This committee does not want to administer. We will constructively criticize when the time comes. I am merely giving the facts as they came before the committee. You who are members of the Committee on Foreign Affairs should know what I am talking about.

Mr. JUDD. I do know and I have struggled with it in that committee. I am asking the gentleman's opinion because I know he has given a great deal of time and careful attention to the problem, and there is nothing that disturbs both him and me more than our obvious inadequacies in this field, and I wanted the benefit of his judgment.

Mr. STEFAN. May I say to the gentleman from Minnesota, that time will come when we bring to the House the regular requests for next year's funds which will be tremendous. I am merely making these statements to persuade the newspapers and the public that we are not trying to scuttle this program but instead, are trying to strengthen it.

Mr. TABER. Mr. Chairman, I yield the balance of the time to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, I think for a moment I will try to put my finger on what I think is wrong with this information service. What we have lacked is a real directing head for the Voice of America. We have lacked, as the gentleman from Georgia [Mr. Cox] said, a State Department in which the American people have confidence, first and last. It is a project, in my opinion, which should have a sharp shooter and not a burp-gun operator. The trouble

that every one of our general representatives in the capitals of Europe is finding is that much of this stuff that is released is literally poison in the country which it reaches. Certainly we must have propaganda with every word carefully weighed, because, after all, the Voice of America should weigh a ton. It should have weight where it goes. It should go into the countries of the world more or less as news and not as Government propaganda. We will find, as we found in Iran, that we could not maintain over 30 minutes of propaganda in 24 hours without more pressure from her neighbors than she could withstand. And the pattern of material that we have been putting out is highly provocative. It furnishes a more perfect background for a Russian attack on us than you could possibly conceive.

I just want to read a few lines from a Senate report to give you a bearing on this. This is from Brussels, and it is Senator GREEN speaking—Senate Document No. 16:

It is necessary here as elsewhere, however, to have an adequate answer to Soviet propagandists who talk constantly about the dangers of western imperialism, about consequences of German rearmament, and about that awful country, the United States, with its low culture, race discrimination, and gangsterdom.

In high authoritative quarters particular concern was expressed lest our information program might be giving aid and comfort to the enemy by showing too much of the bad or seamy side of American life. Said one high United States official in Brussels:

"We seem to feel that we must give the whole picture, all the good and all the bad. Very sensational news material comes abroad which oftentimes paints the United States in a very bad light. Whereas Soviet policy is to play up, and not to play down, the Soviet way of life. Can we afford to be so objective at this critical moment? Can't we at least emphasize more of the positive side, since all the world is not so open-minded in its appraisal of news as, say, the average American at home?"

That is the end of the quotation from that official, but Senator GREEN continues:

Members of the delegation felt this point was extremely well taken and in line with current United States information needs abroad.

Following conferences with heads of state and leaders of government in 16 countries and dependencies, members of the delegation are strongly of the opinion that we have been losing the cold-war battle up to now, and that we should speedily do something about it. Indeed, it is imperative that we do so.

A little further in their report they state:

We found ample evidence that our Voice of America, our State Department, and American foreign policy have not been successful in meeting the Communist propaganda.

The tensions and the problems we saw resolve themselves into a battle for the minds of men. Our failures in the area of psychological warfare are to be contrasted with undeniable Communist successes. The contrast calls for redoubled efforts by this country in this area. We can learn much from the basic Communist technique, which transmits its propaganda through native minds and native tongues.

A basic recommendation is complete re-orientation of the United States Information Service, and particularly the Voice of America. Without decreasing the effective scope of the information program, it is suggested that no less than the funds now expended for the program be directed to a decentralized program, which will function primarily through or in conjunction with the diplomatic missions within the various countries involved. This is designed to achieve maximum efficiency of effort and maximum results by pin-pointing objectives.

As firmly and as candidly as possible members of the delegation attempted at every formal and informal conference to state the attitude of the American people toward world issues—as we understand that attitude. We felt that our plain speaking was appreciated at all times. We believe that our international position has suffered from a lack of candor and plain speaking on the part of some emissaries and policymakers. Differences inevitably occur among peoples, but in the present atmosphere of tension and uncertainty throughout the world these differences are best resolved on a basis of candor and plain speaking.

That is a report signed by Senator GREEN and Senator FERGUSON, of Michigan.

If we oppose at all the wasteful expenditure of tens of millions of dollars of American money, we must face attack from this kept press and these sentimentalists who think you can buy this stuff by the yard, just as so many of them think you can buy cancer research the same way. We must, as members of the committee, lay ourselves open to attack. None know it better than I, because they carried it right into my home town in the week before election this last year, picturing me as a penny-pinching Congressman who wanted to choke off this program with a miserable pittance. Those were the words they used. Out in our country \$34,000,000 is not a miserable pittance yet. It may end that way if our money keeps on depreciating. But I say to you with all the candor and all the sincerity I have within me that I think \$34,000,000, which we gave them in 1950 and 1951 less supplementals, was plenty of money. If the program is condensed, if it is carefully weighed and carefully considered, and then presented to people who will absorb it, who will throw just mere propaganda out of the window, it will be a success. How would you like it if somebody set up a nuisance like that in your back yard, with one of these 24-hour broadcasting systems, where if you turn on your radio you either got Russian jamming or American windjamming? As between the two, it does not take very much to go around with me.

I want to see my country's policies carefully enunciated by the State Department. I want the voice of the State Department to carry that message to the world, but I want every word we utter carefully weighed, and I want us to quit this burp-gun operation all over the world, and get on the target. Let us get an American foreign policy determined by a State Department the people believe and trust, and then let the Voice of America take it to the world, preferably initiated into the regular newscasts, not as blatant propaganda.

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

FISCAL SERVICE
COLLECTOR'S OFFICE

For additional amounts for "Collector's Office," fiscal year 1949, \$653,568, and fiscal year 1951, \$144,700.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order and for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS of Mississippi. Mr. Chairman, a committee of the other body is beginning hearings in Mississippi today following charges of illegal sales of patronage jobs by an outlaw self-styled committee headed by one Clarence Hood. This is the same Mr. Hood who, only several weeks ago, was ousted by the Democratic National Committee as Democratic committeeman from Mississippi following revelation of the charges. Mr. Hood has, for some time, been under fire for his participation in the sale of these Government jobs and other alleged corrupt practices in Mississippi.

It was interesting to note from a news item appearing in the Jackson (Miss.) Daily News under date of Thursday, April 5, that Mr. Hood, who will be called to testify before the committee, had retained the services of one Paul Dillon, a Missouri lawyer. Mr. Dillon, according to this newspaper story, is, and I quote: "Well known as a tax attorney."

It may be wondered why Mr. Hood, a Mississippian, saw fit to secure the services of a St. Louis lawyer, when Mississippi can boast of hundreds of competent, able, and honest attorneys. Further reflection, however, will make perfectly obvious Mr. Hood's reasons for retaining Mr. Dillon.

The name of Paul Dillon, Missouri lawyer, runs through these nauseous Mississippi scandals like a silken thread through a tapestry. It is a matter of public knowledge that Mr. Dillon was instrumental 2 years ago in setting up Mr. Hood and his committee and having them recognized by the National Democratic Committee to the exclusion of Mississippi's legally elected Democratic committee.

Mr. Dillon's participation in the Mississippi scandals is not surprising, however, in view of his background.

He is a professional string puller. He is also the same notorious underworld fixer whose reputed influence opened the doors of the Federal penitentiaries and permitted members of the Capone criminal mob to return to freedom. House Report No. 2441 of the Committee on Expenditures in the Executive Departments, Eightieth Congress, shows that this man Dillon received a fee of \$10,000 for securing the parole of Louis Campagna, one of Capone's henchmen.

This report will show further that Dillon acted as attorney in fact and go-between for the rest of the Capone mob, many of whom were later granted paroles. This report shows that Dillon is a man of shady character, an underworld mouthpiece and associate of criminals, and a notorious influence peddler. It is possible that his first association with Mississippi affairs came about in 1947. He was a close friend and ally with one Edward Terry, Mississippi's most notorious Judas Iscariot, who, while serving as confidential assistant to Senator Bilbo, admitted having accepted \$15,000 from a group of eastern radicals to betray and act as an informer against his employer. Mississippians will never forget Mr. Terry's intrigue nor his loathsome betrayal of the trust placed in him by his cancer-ridden employer any more than they will ever forget the role played by this odious St. Louis lawyer who acted as go-between for Mr. Terry in his nefarious activities. It will also be recalled that Mr. Dillon became attorney for Mr. Terry when the Senate committee investigating the election campaign of Senator Bilbo uncovered this payment of \$15,000. It is significant that while Mr. Dillon was acting as Mr. Terry's attorney before the Bilbo investigating committee members of the committee stated publicly that Mr. Dillon's client had committed perjury before them. Somehow, Mr. Terry was never brought to trial on these charges of perjury.

Following Mr. Terry's betrayal of the dying Senator Bilbo, he became an associate of Clarence Hood in the lumber business at Meridian, Miss. It was through this development that Dillon became acquainted with Hood, and this marks the beginning of Dillon's meddling into Mississippi political affairs.

Although Mr. Dillon now sets himself up as a tax lawyer, and purports to be an expert lawyer in matters coming before the Internal Revenue Department, it is a fact that he is not even allowed to practice before that agency. It is a matter of record that he is the same Paul Dillon who, in 1949 applied for permission to practice as a tax attorney before the Treasury Department. After the Department had made its usual investigation it was determined that his application should be denied because of his unsavory character and shady record. The investigation was made by the St. Louis office of the Bureau of Internal Revenue, intelligence unit, and he was denied his permit on the basis of an unfavorable character report. Details of this action on the part of the Treasury Department can be found in a report appearing on page 2, St. Louis Post-Dispatch, February 6, 1951, issue, as well as other newspapers throughout the country. After Dillon was denied permission to practice before the Treasury Department, he was given an opportunity to appear and refute the findings of the investigation. He declined to pursue the matter further. It is apparent that Dillon was willing to let well enough alone because his record would not stand the light of truth.

It is a fact that any attorney who is in good standing with the his bar asso-

ciation, and who is considered to be of good character, can qualify to practice before the Treasury and other Government agencies. Mr. Dillon would not meet this test of ethics and character.

I have it on reliable authority that this man has also been put on the blacklist of the Justice Department because of his associations and activities in connection with gangsters and public corruption.

If a lawyer must have a reasonably good character to practice before Government agencies and courts, the same qualifications should be met before he is allowed to practice before a congressional committee. The Committee on Practice of the Treasury Department has investigated, decreed, and adjudged that Dillon is not of good moral character and has refused his permit to practice before the Bureau of Internal Revenue. The Justice Department apparently feels the same way. He is a rascal, an underworld character, a fixer, an influence peddler, and has been publicly branded as such by Government agencies and congressional committees.

The committee now making the investigation of these job sales in Mississippi should look into Mr. Dillon's background and his association with the so-called Hood committee.

And I might add that on the news ticker a few moments ago I saw where testimony had been adduced from this committee in Mississippi that would indicate that Mr. Dillon himself acted as the go-between between Mr. Hood and his group in Mississippi and the Democratic Committee in Washington in furnishing these Government jobs. Everywhere Dillon has gone, scandal has followed. Everything that he has touched has become odious. He reeks with the vile stench of organized crime. He is a known influence peddler and backroom fixer. Corruption and rascality constitute his chief stock in trade.

Therefore, I respectfully urge the investigating committee of the other body, now in Mississippi, to make a thorough investigation of this infamous carpet-bagger and his connection with recent political affairs in Mississippi.

Under leave to extend by remarks, I include the afore-mentioned news report taken from the St. Louis Post-Dispatch of February 6, 1951:

PAUL DILLON'S REQUEST TO PRACTICE BEFORE TREASURY DEPARTMENT IS REJECTED—ST. LOUISAN INTERCEDED IN PAROLES OF FOUR CAPONE MEN IN 1948—UNFAVORABLE REPORT

Paul Dillon, St. Louis attorney who interceded for four Chicago Capone gangsters in obtaining paroles in 1948, has been turned down on his application to practice before the United States Treasury Department, it was disclosed today.

John L. Graves, chairman of the Department's committee on practice, told a Post-Dispatch reporter at Washington that an unfavorable report had been received on Dillon's application. The investigation was made for the Department by the St. Louis office of the Bureau of Internal Revenue intelligence unit.

Graves said Dillon was offered a chance for a hearing on the information contained in the report but had never accepted it. The offer has been open since last September 25,

when the committee formally disapproved the application.

SAYS HE WITHDREW REQUEST

Dillon said here today that he does not intend to pursue further his attempt to be approved for practice before the Department. He insisted, however, that he withdrew his application before it was turned down. No record of the withdrawal is in the Department's files.

"I'll be 74 my next birthday, and that's too old to be running to Washington and other places throughout the country in connection with tax matters, which would be the only business before the Department," Dillon said.

Dillon's application was filed October 11, 1949. He received a "temporary recognition card," which entitled him to practice before the Department and its numerous bureaus, including Internal Revenue, while an investigation was conducted to determine if an enrollment certificate would be issued. Graves explained such procedure was standard with all applicants.

A statute requires that a certificate be issued only to attorneys who are in good standing with their bar organizations and are of "good character and repute."

INQUIRY DETAILS CONFIDENTIAL

Details in the investigation report are confidential, but it was considered a certainty that intelligence unit agents included information on Dillon's activities in behalf of the four Capone gangsters—Louis (Little New York) Campagna, Paul (the Waiter) Ricca, Charles (Cherry Nose) Gioe and Philip D'Andrea. Three of the paroles were revoked and two of the men have been returned to prison.

Testimony before a congressional subcommittee later revealed that Dillon received \$10,000 for his services for the gangsters. Dillon was St. Louis campaign manager for President Truman when the latter was running for the Senate. He also was attorney for former Sheriff John F. Dougherty, now chief clerk for the magistrate's court.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WILLIAMS] has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to congratulate the committee for giving the people of this great country a ray of hope in bringing this bill to the House with the reductions which appears in the committee report. I am wholeheartedly in favor of the bill, and I hope that future appropriations bills that are brought in will give the Members a chance to vote for similar cuts, to the end that in the total budget that has been submitted for the coming fiscal year we can effectuate a reduction of somewhere between seven and nine billion dollars.

I propose to use a substantial part of this committee report, especially that referring to cuts, in the notice I shall send to the good people of my district, because I believe it will be some of the most favorable news they have received in many, many months in respect to the program in Washington.

On the matter of the Voice of America I wish to express my opinion. I ask this simple question: From what source did we obtain the philosophy that we have a right to stick our nose into the affairs of the other nationals of the earth as we do through that program, and attempt to tell other people what they must

do, and coerce them into the following philosophy? It is not difficult for me to understand that the so-called intelligentsia of the European countries in particular look upon us as backwoodsmen still in our swaddling clothes when it comes to this question of international leadership. As near as World War I in international leadership circles we had less standing than Constantinople itself.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RANKIN. Instead of being the Voice of America a great deal of it sounds to me like the echo from Europe.

Mr. CRAWFORD. Regardless of what kind of echo it is, I just cannot bring myself into agreement with the program we have been following; and, certainly, the committee was justified in eliminating what has been deleted from this request insofar as the 13 new stations are concerned. I cannot find anything in the record where there was any justification of any consequence at all for these 13 new stations; so I see nothing here that should be criticized about the action taken by the committee.

Secondly, I wish to join with the gentleman from Missouri [Mr. CANNON] in his statement to the effect that our production is the answer to men everywhere. I cannot understand why the administration and the Congress at this time refuses or declines or fails to initiate a 48-hour base pay week and thus get down to the production of goods and services and meet the requirements of this so-called emergency, police action, or war, if you want to call it war. We have gone out here and built these great productive facilities throughout the 48 States and in our territories and insular possessions, yet we go on as before. If the emergency has existed as indicated in the debate recently, and I refer to the selective-service and universal military-training bill, if the emergency is as great as the arguments presented before the Ways and Means Committee represent, if the emergency is as great as the Treasury Department tells us, as Mr. Wilson tells us, then it is high time that we took off our shirts and got down to brass tacks and produced the goods necessary to meet the opposition which seems to be developing throughout the world. If such emergency does not exist, that is a different situation. What prevents us from going on a 48-hour week is the influence of those who insist upon maintaining high costs, high ceiling prices, and more inflation. I say it is time we got busy and do all that we can do, with the blessings we have.

We face world problems which will have to be solved, if at all by world effort. We cannot do the job alone. The world will soon grow tired of our peanut program. Then what shall we do? Send the marines to coerce? I repeat, we cannot do the job alone.

Mr. VURSELL. Mr. Chairman, I move to strike out the last two words.

Mr. VURSELL. Mr. Chairman, the previous speaker has said that if the American people understood the very splendid work this committee has done in reducing this bill by about 43 percent,

or \$385,000,000, it would give them more encouragement than any information which has come out of the Congress for the past number of months. I agree with that statement. I could tell when we were on the appropriation bill which was so very difficult to reduce a week or two ago that the Congress was finally responding to the will of the people demanding economy.

I hope we can continue to reduce all appropriation bills. You and I know that Government departments nearly always ask for more money than is absolutely necessary.

We should, I am sure, and I believe we can and will, reduce the President's budget by over \$6,000,000,000. If we do not continue to reduce expenses drastically our Nation will become bankrupt in short order, and all will be lost. We will lose our freedom and become an easy prey to communism.

The people know, and we the representatives of the people know, that we cannot defend this country in a great emergency unless we are strong financially. They know it is up to the Congress, the representatives of the people, to enforce economy as never before. They insist we do it. I want to congratulate this committee.

Mr. Chairman, I desire to bring another opportunity for economy to the attention of the House. I had thought of offering an amendment to this bill which would cut back the regular annual 26-day leave to a 15-day leave. This would save manpower and reduce from 26 days for over 2,000,000 employees to 15 days, or 3 weeks, giving those in the executive departments the same amount of leave as those in the postal department.

My thought was to attach this amendment, which is the essence of a bill I introduced some months ago, to this bill, but I finally decided that inasmuch as this is a supplemental appropriation bill there would be objection raised to it in the form of a point of order and that it probably is a little premature.

I requested time to bring this matter to the attention of the Members of the Congress, however, in the hope that if we are unable to get a hearing on my bill before the Committee on Post Office and Civil Service, so it can be brought to the House and enacted into law; when the next appropriation bill comes before this House the committee will give consideration to attaching such a provision to the bill in such broad form that it will apply to all of the appropriation bills in the future, if that is proper, and I think it is.

What will that do? It will be a painless way of saving \$250,000,000. At least \$250,000,000 will be unnecessarily spent unless this amendment is agreed to in the future. During the coming year the lowest possible estimate of saving will be \$250,000,000 if you cut back this leave. No one will lose a job, you will have greater production from your manpower, no one's wages will be reduced, yet you will effect a minimum saving of \$250,000,000 to the Government. That is quite a sum of money.

May I call attention to the fact that I happen to know of more than one instance of men in the high brackets who have cashed in their accumulated leave

and have received checks for up to \$4,500 and more for their accumulated leave. This bill I introduced some months ago will also stop the accumulation of leave so that leave must be taken in the fiscal year in which it is earned. It is the right way to get on to a better fiscal basis with reference to our employees in the executive department. Of course, the judicial department and the legislative department are excluded from the leave bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Chairman, it is rather astounding to note the amount of accumulated leave some of these men in the high brackets are taking, those who are drawing high salaries. I hope in the very near future to be able to give you quite a few facts along that line.

Of course, it will be said on the part of some of the Federal employees that the high cost of living has been proceeding faster than their increase in wages. Well, that is a debatable question, but if it has, we would be treating them on an equal with other people throughout the Nation as to leave if we equalize them all back to a 3 weeks' leave. Fifteen workdays would be 3 weeks' annual leave, the same as the post office employees are getting at the present time.

Do you know that there is accrued annual leave now that is a debt against the Government that we must pay out of some \$581,000,000; that our Federal payroll now is \$7,500,000,000 a year; and that about 10 percent of that is not earned? It goes into sick and annual leave.

We will only be asking our Federal employees to work 85 to 90 percent of the time because, in fact, we only work about 220 days a year. When they complain that their salaries need to be raised, if they need to be raised, raise them, but bring them all on an equality.

RETIREMENT FUND

Mr. Chairman, Federal employees do have some advantages. They have continuous employment year after year in addition to their annual, sick leave, eight holiday leaves a year, and a 5-day, 40-hour week. Continuous employment gives them a distinct advantage and we are glad that it does.

They participate in a rather liberal retirement fund over 50 percent of which is paid by the Government.

The employees pay into this fund 6 percent of their salary and the figures show that the Federal Government has matched that amount by putting in about 6½ percent, all of which may be looked upon as a gift or an addition to the regular salary they are getting throughout the years.

Let me illustrate this cost to the Government by using the last three fiscal years. In 1949 the Federal Treasurer contributed to the retirement fund for the employees \$226,032,000; in 1950, \$304,508,880; and in 1951, \$307,117,455; making a total of \$837,658,335 donated

to the retirement fund for these Federal workers.

This amount during only the past 3 years, and in addition the Federal Treasury paid all of the administrative expenses of this retirement fund, amounting to \$4,498,397.

Mr. CHAIRMAN, I submit that in the best interest of all of our splendid Federal employees and of all of the people in the Nation that this Congress should enact into law the bill I have proposed because we need desperately to effect this saving of \$250,000,000, we need to put all of our Federal employees on an equality of leave and we need to keep this Nation sound financially in the interest of all of our employees and of all the 150,000,000 people we, in the Congress, represent.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this paragraph do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

PUBLIC WELFARE

SAINT ELIZABETHS HOSPITAL

For additional amounts for "St. Elizabeths Hospital," fiscal year 1949, \$13,704, and fiscal year 1950, \$22,604.

Mr. HALE. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Chairman, I have been reading a good deal in the papers lately about a possible crackdown on General MacArthur. I want to say something about that, because time moves fast, and I do not know what will happen in the next 24 hours. If there is such a crackdown, it will afford the world a classic example of disciplining a man who in his estimates of the far-eastern situation has always been right, to save the faces of people who at least with respect to that situation have always been demonstrably wrong.

If General MacArthur were given a free hand in Asia, Chiang Kai-shek's army could go to work, and the Chinese Communist tyranny of Mao Tze-tung might be overthrown. That would do more to enhance the chances of peace in Europe than anything that we are likely to be able to do for a long time in Europe itself. The United Nations with the formal encouragement of this House declared Communist China an aggressor nation. I was here as most of you were on the Friday afternoon when that resolution urging the United Nations to denounce Communist China was brought to the floor of the House in such a surprising way. I supported the resolution. Of what use was this declaration if no sanctions were to be imposed on the aggressor? Why should we not blockade the Chinese ports? There is no danger of all-out war with China if we land no troops on Chinese

soil. Nor is there any chance of peace in Korea unless the United Nations Commander is freed from his shackles so as to achieve the United Nations objective of a united and independent Korea. General MacArthur has the confidence of our people and, in my judgment, has the confidence of the majority in the Congress. I wish the administration instead of rebuking him would accept his advice.

Only a few moments ago I received a letter characteristic of a great many letters which come to me. It reads:

This is a rush note—just as it should be. We, of this community plead to you to do all you can to help and uphold General MacArthur. Please give him full charge and authority about this Korean situation. He has proven his ability and skill as a military man. Why not depend on him now?

We have faith in you and feel sure you will do all you can to see General MacArthur treated as he deserves.

Your supporter,

Mrs. ARMAND PAINCHAUD.

That is characteristic of many letters which I have received. I know it is characteristic of thousands of letters which come to all of you and I wish the administration would harken to them.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Missouri.

Mr. CANNON. I trust members of the committee will recall that we are on the floor today by sufferance, that we are on borrowed time, and that the day was formally set apart for the consideration of the draft bill. We were admitted today in order to take care of a particularly pressing emergency. Under general debate we had a fixed time, but it is to be hoped that on the reading of the bill under the 5-minute rule the Members of the House will confine debate to the bill. We invite all the discussion we can get on the bill, but pro forma amendments to strike out the last word, under which time is devoted to extraneous subjects, delay us beyond the time to which we are entitled under the permission given to meet an emergency.

I am certain members of the committee appreciate the situation and will co-operate with us in confining debate to relevant subjects germane to the bill.

Mr. TABER. If the gentleman will yield, I feel that if we are going to get through we ought to be very careful. I do not wish to interfere with those who have already started, but I do feel that as we go along we must stick to the language of the bill in the future, and we must close debate within reason or we will be in the way of the draft bill for the rest of the week.

Mr. RANKIN. Mr. Chairman, I was very much interested in the remarks of the gentleman from Missouri [Mr. CANNON], appealing to the other Members to confine their remarks to the bill. I shall come just as near, in my opinion, as the gentleman from Missouri did in his long, drawn-out speech of a few hours ago.

Mr. Chairman, if we are to abandon honesty in government, if we are to permit the corruption that has been going on to continue without a protest, then it might be all right to get up and pay tribute to individuals in or out of office, and ignore these alarming conditions.

You just heard the remarks of my distinguished colleague from Mississippi [Mr. WILLIAMS] exposing the corruption that has been going on in the selection of postal appointees in Mississippi, and telling where the corrupt influences seemed to get their inspiration and support.

I have not known any man in the same length of time to give as much appalling information as my distinguished colleague [Mr. WILLIAMS] did in the few moments he had the floor. Even then he left out Tilford Dudley, whose questionable record and whose intermeddling in these affairs in Mississippi is well known.

Instead of investigating conditions in New York City, we had better investigate the corruption going on in the Federal Government. Probably nowhere in America has there been more of that corruption than there has been in the selection of postal employees in the State of Mississippi under this Dillon-Hood regime.

Not only should he investigate that, but the men on the Senate committee down there should certainly have the speech of the distinguished gentleman from Mississippi [Mr. WILLIAMS]. Those members of the Senate committee down there today ought to have that in order that they may go to the bottom of this proposition and turn up and expose those racketeers who have been using the Government of the United States for rake-down purposes.

While I am on that subject, let me say there has never been a bigger racket, in my opinion, going on right under your noses, than this so-called Marshall plan, the Bevan plan, if you please. Look at the magazines that are drawing hundreds of thousands of dollars a year allegedly to tell Europe what America stands for. If you read them you will find that some of them do not even stand for America. Go and investigate those individuals who have made hundreds of thousands, yes, millions, of dollars in rake-off under this so-called Marshall plan. The average man over there, on whose shoulders rest the burdens of his government, has never realized that the United States has sent them anything. If you do not mind, the same thing is going to happen when you go to sending this wheat to India. The Indians are now going to raise cotton because this DiSalle, or DiSalvo, order has reduced the price of cotton to \$100 a bale or more below the world market. The Indians are turning their wheatlands into cotton patches and raising cotton, and begging you to send them wheat. But they do not want Canadian wheat. They say that is not good enough.

It is about time that we cleaned house and fumigated every department of this Government, from the State Department to the Bureau of the Census. It is about

time that America woke up, and the Congress woke up, and investigated, instead of trying to protect certain elements that are undermining and destroying, not only our economic strength, not only our physical strength, but confidence in our Government itself.

This so-called Voice of America should be looked into. It often sounds more like a foreign echo. It seems to be the hand of Esau and the voice of Jacob.

I congratulate my distinguished colleague the gentleman from Mississippi [Mr. WILLIAMS] for bringing this matter to the attention of the Congress and to the American people at this time.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. The Clerk will read.

The Clerk read as follows:

AUDITED CLAIMS

For an additional amount for the payment of claims, certified to be due by the accounting officers of the District of Columbia, under appropriations the balances of which have been exhausted or credited to the general fund of the District of Columbia as provided by law (D. C. Code, title 47, sec. 130a), being for the service of the fiscal year 1948 and prior fiscal years, as set forth in House Document No. 67 (82d Cong.), \$4,648.

Mr. BENNETT of Florida. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would like to speak briefly on the subject of the Voice of America. There has been some thought interjected into this debate this afternoon to the effect that perhaps the Voice of America is something that we should not have. I believe in the Voice of America. I believe that it may save American lives. I think it can help us win the cause which we have before us. I believe we must strengthen the Voice of America in every possible way.

The Voice of America should make a great effort to crystallize and simplify the telling of the story that we are trying to tell and the ideal which we are fighting for.

The majority of mankind today are hungry for a change. We live in a revolutionary world.

Soviet leaders seize upon this age of restlessness as a time for easy conquest. Their most potent weapon has been ideological. They are busy bribing the gatekeepers of freedom with the idea that the state by absolutely controlling the lives of all citizens can best provide people with material requirements. As Lenin said: "Marxism is materialism militant."

In the battle of ideas, communism appears to be presently winning by default, partly because of our own ideological confusion and partly because of the lack of commitment and passion on our side.

Just what is our idea? In the first place many of us think about the Voice of America as being designed to talk only of Americanism. If that be so, we may be running into some difficulties, because, if we are trying to line up the people of the world on our side, it seems to me that using the term "Americanism" as our main theme, may be alienating those to whom that term is a foreign term. How would we react to "Germanism" or "Englishism"? There are those

who say that the Voice of America is supposed to be telling the story of democracy. If that be true, then we will be alienating countries which are not democratic. Also, some people say that this program is supposed to tell the story of freedom. If that be so, will not freedom by itself provide for its own destruction by allowing the choice of things which lead to self-destruction?

Our country was founded on the spirit and on the idea of freedom under God. That is the theme we should have. It is the theme which came to us from Europe as a result of the Reformation. As a result of the discovery of America, the people of the world found here a haven to worship God as they saw fit. They did not come here to be free from religion. They came to be free to worship God as they saw fit. If we in America would analyze ourselves today, I would say that our troubles are not so much concerned with the type of radio beams that we have or the articles we have in the newspapers. It is the truth that is to be told about us as we are today that is giving us trouble. It is not just in the high places in the Government. We all need to get back to the fundamentals of religion. If we overlook the fact that our country was founded on religion, on spiritual values, we will be overlooking the most fundamental thing in America.

Our earliest forefathers brought to America this idea of freedom under God. They came to Fort Caroline in the South and to Plymouth Rock in the North. They did not seek freedom from religion, but freedom of religion, freedom conditioned by the laws and influence of God. For us Americans the idea was born in Europe, but luckily for us the idea has friends in all nations, in all peoples, and in all religions throughout the world.

The real revolution that is taking place today is the striving of peoples everywhere to obtain the blessings of this fundamental idea, whether they have ever heard of the idea or not. The contrasting teachings of communism, atheistic materialism, are all that the Soviet dictatorship can muster to serve its reactionary counterrevolution. It will help the cause of our own revolution for us clearly and repeatedly to state our idea, freedom under God, and for us to strive constantly to live by the idea and to help others to gain its blessings.

Dispelling all confusion surrounding our cause will leave the ammunition of the ideological war within our grasp, but we will still need the spark to send the projectile to its target. The spark of our revolution must be the individual fervor, fire, and zeal of every fighter for our cause.

How does a person acquire the ability to fight in this revolution? How does he acquire the fire to attract others and win others? One cannot do it in freedom from all restraint, freedom from responsibility, freedom from discipline, and freedom from religion. One must do it by coming to grips with one's own life, confessing one's sins to God, adhering to absolute moral principles, assuming one's rightful responsibilities, and seeking and following daily guidance from God in one's own life.

Only people who have been touched and changed by God's influence can fight effectively in the front lines in today's ideological war. If a man cannot or will not humble himself and come to grips with spiritual realities, his life will probably actually serve the atheistic materialism of the enemy whether he wills it or not.

The concluding lines in our Declaration of Independence are:

For the support of this declaration, with a firm reliance on the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.

In today's historic moment I hope that every American will take that oath again and get on the front lines of the ideological war in actively supporting the revolutionary idea of freedom under God.

So, it seems to me that the Voice of America, as it tells the story of freedom under God, is a thing which is extremely important to our country. It can save our young men on battlefields. It can protect the homes and altars of this country. The fundamental thing which I would like to put across in this little talk of mine today is that I feel that it is about time that we reanalyze what we are trying to tell the world and not try to tell them about the things which are extraneous but about the main thing, which is the fact that we came here to be free to worship God as we saw fit but under God's discipline; and that our blessings have their source in these principles. We, as individuals, not only the people in Congress but the people everywhere throughout the country, must get back to these fundamental truths of spiritual reality if we are going to win this situation we have in the world today.

Mr. McCORMACK. Will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. McCORMACK. The gentleman may have said that he was making a little speech, but I want to compliment the gentleman. He has made a really great speech.

Mr. BENNETT of Florida. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. JAVITS. Mr. Chairman, there is a danger in this debate today. That is that what the newspapers have been explaining to the country may find confirmation in this House, and the idea may be entertained by the people that if the House goes along with the committee in what they have done, in making this very drastic cut, that means that the House has turned down the Voice of America; that it does not think it is a good idea, and therefore has shown that to the country by cutting it 90 percent. Nothing could be a greater disservice to the people.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. If the gentleman will just let me finish my thought and then I will ask him a question.

I might say to the gentleman that he has said in this report, and I think sin-

cerely, and I think he will demonstrate it in a minute when I ask him a question, that the Voice of America has received the support of this committee since its inception. I know that to be true and I know the gentleman to be sincere about it.

There are three means by which we are trying to defeat communism in the world.

One is military. Unfortunate, sad, costly, and extremely difficult.

The other is economic, which is just as necessary, although some here disagree with me; and the third is ideological. That is what the Voice of America is for. It is possible to produce evidence to the effect that the Voice of America does not get through the iron curtain adequately; that it is jammed; also that there are relatively few sets in the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, China, and so on. That is true, but the Voice of America is also doing a tremendous job where there is freedom of speech and where there are radio sets. That applies to something in the area of over a billion people in the world. Let us never forget that we do not want to bare the breasts of 150,000,000 Americans standing alone, without allies, to attack by the Russians and their satellites, 800,000,000 strong. We want allies that will act to prevent attack and to help meet it if it comes. The Voice of America and its programs represent an effort to convince our allies, too.

As I understand it, the reason the committee has turned down this \$39,000,000 request is not because they do not agree with the Voice of America program, not because they are not back of it or want to cripple it, but because what was presented to justify this appropriation was half-baked. The committee has said so in the report. They say, and I would like to read that:

The committee hopes that the Department will exert every effort to complete these projects at the earliest possible date, take the necessary steps to overcome the weaknesses set forth in this report, and return to the Congress as soon as possible with a more intelligent and better planned program.

That implies that if they do the committee will be sympathetic with their request for money to implement their program. I ask the chairman whether I have read the views of a majority of the committee correctly in this report?

Mr. ROONEY. Of course. The gentleman knows that I read the report into the RECORD, but does not the gentleman feel that the program preferably should be directed toward the iron curtain countries rather than toward the people in America to obtain bigger and better appropriations? Does not the gentleman think, as was pointed out in the Saturday Evening Post editorial that is now on the stands, that the answer to this is not just the appropriation of millions and millions of dollars?

Mr. JAVITS. There is no doubt about that; but this program has also got to be beamed into the friendly foreign countries as I made clear before, who are our allies all over the world, and those free peoples who are standing with us all over the world. I care more

than anything else that the program that is carried by a good program to confirm and uphold America's leadership in the world rather than a fuzzy program. And I think misunderstanding of or dissatisfaction with the expansion program presented to the committee is responsible for the lack of respect for it on the floor of the House and that there was no other reason why this appropriation was turned down.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. DONDERO. Is there anything to the report that Russia has issued a decree of death to any of her people who read or listen to the Voice of America?

Mr. JAVITS. I understand that is a very well substantiated report and that it is considered one of the crimes against the state for which anyone can be haled before a people's court without any public notice or trial as we know it and be summarily sentenced to death. This certainly should confirm the need for the voice in our weapons against communism—precisely because the Russians fear it.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MASON. Would not the gentleman agree that the program as carried by the Voice of America so far has been a fuzzy program?

Mr. JAVITS. I do not agree with that at all. I will say that the program carried so far has not been as good as it could be, but it has been of material usefulness.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. What has been very fuzzy, if the gentleman will permit me, is the policy behind the program, not what the program has been doing in trying to tell the people of the world the great advantages of freedom. The policy has been fuzzy, particularly on the ideological front. We have assumed that all the people in the world will believe that just as soon as we mention the words freedom and democracy what we say must be true, whereas the people of the world want to see it translated in terms of more goods and services and the actual machinery of freedom leading to better lives in their own country. Then they will follow American leadership.

Mr. MASON. Would the gentleman agree that the material they have used in trying to implement the fuzzy policy has been fuzzy material?

Mr. JAVITS. Some of it has, but a good deal of it has been pretty good; but I think the uncertainty back of the policy has been the thing that caused the major weakness. In this bill the committee is repudiating at this time a fuzzy presentation of what when it is put up in the right way with full substantiation may be accepted as a fine expansion of the program.

Mr. COX. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, the gentleman from New York has made a very smart statement in the sense that he has sought to create the impression that there is no dissatisfaction whatever with the way the Voice of America has carried on. I should like to say to him that while the committee probably would not like to make the admission, there is in this item of the bill an element of a want of confidence in the activities of the Voice of America.

While Mr. Byrnes was Secretary of State, and after the Voice of America had fallen into ill repute I joined with others of you in the endeavor to save it. BILL BENTON, then in charge, having rescued it from the ditch, was giving to the agency all of his fine talents, the benefit of his wide experience, and all the influence that he could bring to bear in behalf of making it what it ought to be, but all of a sudden and for some unknown reason there was a change made in the head of the State Department. Mr. Byrnes went out and General Marshall came in, and with the coming in of General Marshall, BILL BENTON, now United States Senator, who had labored earnestly in the endeavor to do a good and worth-while job, was let out and with his departure the whole thing fell back into the keeping of the people who had made an outrageous mess of it.

As I have said before, the Voice of America could be made a very important and a very valuable adjunct to the State Department, but under circumstances as now exist there is nothing that you can do for the Voice of America that will give it the standing which it should properly have here at home and in other parts of the world until something happens to the agency of which it is a small adjunct. At the present moment the State Department does not enjoy sufficient public confidence to enable it to wield the influence in this country or abroad which it should wield and until recognition of that fact has been taken and something done about it there is not much that we can do to give relief.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Mississippi.

Mr. RANKIN. All the perfumes of Arabia would not sweeten the Voice of America as now constituted, of what they call the Voice of America.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the requisite number of words.

VOICE OF AMERICA

Mr. Chairman, toward the close of the last session of Congress I suggested that a special committee be appointed to study the Voice of America, this committee to be in continual session month after month while the House is in session or out of session and bring back to the House periodically what the committee thinks should be done regarding the Voice of America. We have had hours and hours of debate as to what should be done in this respect. I feel such a special committee would be very, very valuable.

At one time I thought the bill would go through. The State Department at one time stated it favored such a committee to report back what legislation is needed. Then I was told later by the State Department that the administration would not go along with the idea. I hope something of that sort can be done now and that a continuing committee will be appointed.

UNIVERSAL MILITARY TRAINING

Mr. Chairman, may I say at this time I believe the Members here are not hearing the voices at home or the voices from the disabled regarding the UMT program in our national defense bill. There are two groups here at the Capitol today, one the veterans of World War II and one the veterans of the Korean action. Those men say we should have universal military training.

We went into the Korean war without a particle of training or equipment for many of our boys. Universal military training will give the boys at least basic training so that if we have an emergency like Korea—and we think of what happened at Pearl Harbor—then those boys will have basic military training, and they could more readily defend themselves. It seems to me that is the least we can do for them.

The State commander of the American Legion—Commander Grader—is here from Massachusetts and is going to plead if necessary with the Members to vote for UMT. He has come at personal sacrifice for he is a very busy man. We also hear from the mothers of Massachusetts and elsewhere that they want universal military training. We hear particularly from the mothers of the disabled men of all wars who feel that their boys did not have a chance to defend themselves, their boys did not know anything, or very little, about any kind of military training.

I do not know what will be offered in the defense bill in respect to UMT, but I shall support a provision for universal military training, and I shall do everything in my power to secure its adoption. I can see nothing else to do at this time. I feel sometimes, Mr. Chairman, that we sit in this very comfortable Chamber with the doors closed and the shutters drawn. We are hearing what is going on in the Chamber here rather than evaluating the true feeling of the people all over the country. I am going to vote just as my conscience dictates, just as you are going to vote what your conscience dictates. I have seen a great many men disabled, as many as you have. There are many disabled veterans here in the Congress, and I have seen the suffering that ensued because we were not prepared. We are better prepared today to defend Western Europe and taking Western Europe if Russia strikes than we were during World War II, when Hitler was in power. We are better prepared in the Pacific than we were at the time of Pearl Harbor. It is my belief we can take them both and keep them both if we increase our strength. Today we are fighting, not to win a war, but for our very survival.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

The Clerk read as follows:

CHAPTER III

DEPARTMENT OF STATE

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For an additional amount for "American sections, international commissions," \$36,500, which shall be derived by transfer from the appropriation for "Contributions to international organizations"; and appropriations granted under this head for the fiscal year 1951 shall be available to enable the President to perform the obligations of the United States under the treaty between the United States of America and Canada, signed February 27, 1950, and ratified by the United States Senate on August 9, 1950.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word and, in view of the fact that I was not able to get time in general debate, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Chairman, with reference to the Voice of America, I deliberately waited until this long in the debate to be sure that nearly everybody who had comments to make would make them. I find myself with this point of view. I am convinced that every man and lady in this Chamber is of the opinion that he or she could run a hotel or a railroad or a baseball club better than the people who are supposed to run them, and I now add to that list the Voice of America. I am also of the opinion that no matter from the many and varied walks of life that you, my distinguished colleagues, spring the night before election, that when the election returns are in we have four-hundred and thirty-odd Secretaries of State about half past 10 on Tuesday night. I also believe currently we are acquiring 430 chiefs of a general staff and secretaries of defense. My compliments to the House and to the Congress. The country is indeed safe, being assured of all those things. Now I find out that down in the bowels of this Capitol from which my subcommittee comes up for air once a day during the months of these hearings we are experts on how you bounce the waves from the ionosphere and how you loop ground waves that only electronic specialists and the great technicians of communications know. Today the gentleman from New York, the gentleman from Pennsylvania and from Nebraska and Georgia and Minnesota and Ohio, they know; indeed we do. Misable dictu!

Do you know, Mr. Chairman, that neither this subcommittee in its entirety nor any individual member of this subcommittee has ever been in the building of the Voice of America? Do you know that we never have heard a broadcast in the last two and a quarter years or seen any of their productions, we experts, we engineering and scientific technicians? Not a man on the subcommittee has had anything to do with the Voice of America for the last two and a quarter years.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I should like to correct the gentleman. I have heard broadcasts of the Voice of America.

Mr. FLOOD. Then certainly the gentleman is a rara avis in this great, distinguished body. I do not know of anybody else that has.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from New York [Mr. TABER], with whom I have been battling about this since the Seventy-eighth Congress. Indeed I do.

Mr. TABER. I have always made it my business to ask for the broadcasts and go over them. I have found many of them that were no good, and none of them that were any good. I dare the manager to produce one that was good. That has been going on a long time.

Mr. FLOOD. I may say to the gentleman from New York that I think I have the only voice here that can probably match his.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I cannot yield.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I did not intend to, my dear, but to you, of course.

Mrs. ST. GEORGE. It is always a rare pleasure to hear the gentleman. It is also a rare pleasure to see him, because he is always a picture of sartorial perfection.

Mr. FLOOD. Will the gentlewoman permit me at this point to interject for the purpose of emphasis, only because I knew she would be here.

Mrs. ST. GEORGE. I thank the gentleman, and I appreciate that.

May I add my word, that I not only have heard the Voice of America but I have even spoken on the Voice of America. I do not think it was a very good broadcast, and I am very sure it was highly inappropriate, because I was asked to speak on an "equal rights" amendment for women, and when I got to the station to make it I was informed that they did not think it was a wise selection because it might make people behind the iron curtain feel that the women in America did not have equal rights. I said I thought that had been known for a long time, but apparently it was only discovered at the last minute. For that reason, I had to change my broadcast, and I am afraid it was rather unsuccessful.

Mr. FLOOD. I may say to the gentlewoman that, having been a bridegroom of only a year, my version of "equal rights" has been improved from that time.

I wanted to say that this is a supplemental bill. It deals not with the whole broad program of the Voice of America, but this is a supplemental bill to establish the physical facilities for its entire program. I am not concerned today, and you should not be, with the philosophy of the script or the intent and policy of this program. I would not be presumptuous and impertinent enough to say that this distinguished array of talent were not addressing themselves to the subject, but let me point out to you

again that this is a request for appropriations to build the physical structure that you all have to use, you general managers of the Voice of America, no matter who you decide, including yourselves, are to operate it.

This subcommittee directed the Voice of America to go get the best scientific brains in this Nation, and to bring in a report. The Voice of America did exactly what you told them to do. In this testimony you will find the biography of and a report on the best electronics and communications engineers in the greatest Nation on communications and electronics in the world.

I do say, Mr. Chairman, that the administrative technique, and particularly the engineering accomplishments of the Voice of America, have been extraordinary and could not be equalled or excelled in the entire commercial field of radio, electronics, and communications. This is the report of a committee you directed to bring in an investigation of how these people were doing that job. That is before you.

My friend, the gentleman from New York [Mr. ROONEY] by innuendo cast an aspersion upon the report of the Advisory Committee of the Eightieth Congress. You have heard about that. The Eightieth Congress gave birth to the committee. On this committee you find—and I am sure these are not long-haired, flat-headed do-gooders—Edwin Callahan, editor of the Christian Science Monitor; Philip Reed, chairman of the board of the General Electric Co.; Mark A. May, of the Institute of Human Relations at Yale; Justin Miller, president of the National Association of Broadcasters; and Ben Hibbs, editor of the Saturday Evening Post. They are the people who made this report. Mr. Hibbs did not sign it, because at the time his name was not confirmed.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MCCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FLOOD. Mr. Chairman, this report which I hold in my hand and which the press carried all over the Nation yesterday was written, mark you, before this obnoxious document masquerading itself under the guise of a report from the Committee on Appropriations, which it is not—as I say, this report was written before the subcommittee report was prepared, and by as distinguished an array of talent as this Congress could collect to do the job. They have been close to the Voice of America for two and a half years. I am not going to bore you with the report at length, but I am going to insert it in the RECORD, so that you can read it as part of this debate. At the same time, it has been directed by you

to be reported to the Congress anyhow, and it will be available to you.

Let me show you this. I quote from page 6 thereof:

A prominent business and professional man, an expert in administrative organization, in response to our inquiry recently told our commission that in his view the administrative work in this area is of high caliber and would do credit to the best organized private business.

Another professional expert, commenting to us on the operations of the International Broadcasting Division, has said that there are few radio administrators or engineers in the country who have capacities to excel those in charge of this operation. No doubt these two private experts, as well as many others, would be glad to testify to the business efficiency and leadership of such men as now are carrying on this far-flung program.

Let me point out to you that contrary to the impression that has been given to you today, and incidentally, I presided at the hearing of this subcommittee when the experts from MIT, whose names you will find in this testimony—and you cannot get a greater collection of communications and electronics men in the world—stated to me time and again that this is the best and this is the most effective and cheapest way in which this job can be done at this time by anybody any place in the world. I am holding no brief today for some person or some group of persons who may be running or who may not be running, depending upon your point of view, this program.

I care not what you do or where you place this program. You may create it as an independent agency at Cabinet level; you may set it up in the ECA, although God forbid that you do that. You may do what you wish, but I say to you, Mr. Chairman, that no matter what you do with the program as an operating agency, in God's name grant in this Congress the necessary appropriations to build the physical structure. I do not care what you do at this time with the programing. I will debate that with you when the general appropriation bill for the State Department, including the Information Service and that part of it which is the Voice of America, is before this House, in due course. It is not here today. All of this talk you have heard has nothing to do with the case, *trala, la, la*. Nothing. This goes for capital investment; not operating funds. You have got to have these stations, you have got to have the towers, you have to have the facilities. These people must be able to contract for them now. You know the pressure, the need, and the demand for these kinds of electronic, physical, and radio equipment in great shortage and great demand.

Objection has been made, Mr. Chairman, that we do not know where they are. They have not pin-pointed them down in some duplex apartment or in the south 40 acres where this is going to be. Some lawyer has not brought to this subcommittee a certificate of title.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Flood] has again expired.

Mr. FLOOD. Mr. Chairman, I do not like to presume, but since I am doing a solo on this, apparently—

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FLOOD. I am very grateful to my brothers who this late in the afternoon will entertain so graciously this extension of time.

Now, you members serve on legislative committees. That is something for you to keep in mind. Oh, there is more to this than meets the eye in this debate. I am satisfied that statements have been made on the floor this afternoon, with great sincerity, and with the regard and affection that I hold for some of the Members who have made them, nevertheless I am convinced as I am convinced that there is a God in heaven, that those voices, Mr. Chairman, never were, and, praise God, never will be the Voice of America now or at any other time. But let me say this. You do not see these hearings. Some of my good friends on the left, sincerely inquired about "Where is the record? The testimony does not show the justification. What have you got? We are interested. How do you prove this need for \$97,000,000?" That is a fair question. I say to you that you have not been fairly told what happened. I will tell you. These experts from the Voice of America who, in consultation with the Joint Chiefs of Staff—you know the practice here today of wrapping themselves in the sanctity of the Chiefs of Staff, and upon occasion I do that, reluctantly; but I will do it for this purpose. The Joint Chiefs of Staff have been consulted step by step on every phase of this program, and have endorsed it in toto. Did you know that? When I ask you to vote funds to set up the physical structure of this great undertaking, do you not know that that physical structure will be available, if and when necessary, to the Armed Forces for whatever intent and purpose they may find necessary, but God forbid, which they may need in combat? Do you not know that the Bureau of Standards and every other phase of the technical side of this Government has been consulted step by step, hour by hour, on every period and comma and the crossing of a "t" in this great program?

I do not know anything, as far as the itemized justification is concerned, being incomplete. This is a mass production of this physical equipment. Every single component part is interchangeable with any other part if and when necessary in the entire great ring around the periphery of Soviet Russia. And you were not told, Mr. Chairman, that these are for short-wave with also—medium wave broadcasting stations and each station can be used as a point of origination for a program. Ah, you were not told that. I am not going to take your time today

to debate the merits of scripts, how certain programs were written, who channeled others. I hold no brief for things that are bad, but I say to you, Mr. Chairman, that it is about time, and the time is now, that on the floor of this House and in this Nation's Capital we point out to the people of America that the good in this House and the good in this Government and the good in this city and the good in this Nation ten thousand times ten thousand exceeds and excels the evil, the bad. Do you not know that? Of course you do. It was not by accident that our forefathers decided the motto of this Nation to be "In God We Trust." In God we do trust, because the evil things make better reading.

I am certain that no Member of this body, no Member of this Congress, or any loyal American, would willingly do a disservice to his country.

All patriotic Americans, at this time, are searching and yearning to find ways in which they can serve the national welfare. They realize that the democratic world, with all its values which invest life with dignity and purpose, is under constant, vicious and unremitting attacks from Soviet-led Communists.

The American people, inside and outside of Congress, have been made grimly aware that the masters of the Kremlin are not indulging in academic discussion when they assert that democracy cannot exist in the same world with imperialistic communism. Americans daily are closing their ranks in recognition of the threat of the enemy and his avowed purpose to destroy the free world.

Daily our people are becoming more informed on the true nature of Soviet imperialism and how it menaces our security, our free way of life.

We have witnessed the Soviets reneging on their pledged word, given solemnly time and again before the world; we have witnessed their naked aggression as they have devoured lesser, neighboring states; we have seen them, under one pretense and another, build the nucleus of a major military organization in East Germany, and we have watched, and are witnessing with increasing anxiety, their filling in of those military cadres in that area.

The world has not forgotten, nor will it for many decades, the Soviets' efforts to use mass starvation and deprivation as an instrument of national policy in their misguided and thwarted attempt to establish the Berlin blockade. In that instance, the might of American airpower, in concert with our European Allies, foiled a diabolical plot against a whole people. It behooves us to be equally effective against the subtler forms of Soviet attack.

Latterly, we are seeing the Politburo pressing buttons as the Soviets endeavor to increase tensions in Europe, and this at a time when Gromyko is indulging in thin artifices in the name of peace in Paris.

Of course, Mr. Chairman, all of America is only too aware of the Soviet treachery which finds bloody expression in Korea, and is now, through the greatly expanded use of air power, and the use

of Manchurian bases, enabling Sovietized China to prepare what may be heavy blows upon American soldiery and their United Nations' brothers in arms.

So by deed and word we know the enemy and what we are up against. At least we should, but sometimes, as I watch and study our daily actions, I wonder if all of us fully apprehend Soviet subtleties.

One thing I would like to point out, Mr. Chairman, and that is that the Soviets use propaganda as a major instrument of policy, both internally and externally. This is abundantly evident and is well documented by Gen. Bedell Smith, who, in his diplomatic tour of duty in Moscow, had ample opportunity to see this weapon in use first-hand.

The world is in a turmoil today, Mr. Chairman, because of the big lie and the implementation of the nonethical national conduct it represents.

Day and night Soviet propagandists are busy with their upside-down language as they defame western nations and everything that western culture stands for. No reach of the globe is too far distant for the Soviet propagandists to be unconcerned about; their industry and energy are unsurpassed by their total disregard for the truth.

As a measure of their activity, I would point out that the Soviets in their propaganda activities outdo us in the ratio of 5 to 1. Need I elaborate for you what this means as the Soviet dictators pursue their drive toward world mastery?

What is an arresting and disturbing thought is that while Stalin and his cohorts have mounted the most formidable peacetime military machine in history, at the same time, they are operating a vast program of misinformation, calumnies, and lies and that one is used to aid and abet the other.

The Soviets literally are conducting a war of penetration over a wide area. Through the devices of propaganda, and with the menacing overtones of their military strength, they are now, at this very moment, feverishly active in trying to bring about the capitulation of not a few states. An example of this dual offensive is Iran, where Russian propaganda grinds on threateningly within the shadow of Russian arms.

And so we cannot say, Mr. Chairman, that we are unaware of diabolical Soviet efforts of expansionism. Neither can we say that we are uninformed as to their effectiveness. Then we must inevitably face up the proposition: What, I ask, are we going to do about it?

Now, I say in all sincerity that I regret the occasion has ever arisen in this forum where it would be found necessary for any Member to be compelled to speak as I do upon such a subject and at this fateful juncture in history.

You know and I know, Mr. Chairman, that thinking Americans are aghast at the action of the subcommittee of the Appropriations Committee, which, in one fell swoop, knocked out some \$90,000,000 which were earmarked for the purchase of transmitters to carry the propaganda fight to the Soviets.

The man in the street, who knows instinctively that America has a story to tell and that it should be spread before

the world, is confused and confounded at the action of the Appropriations Subcommittee in voting to deny funds that are so sorely needed to strengthen the Voice of America.

This congressional action, which would serve the purpose of making truth the first casualty in the cold war, is equally perplexing to all who have followed the history of this activity. President Truman in his pertinent statement last week on the subcommittee's restrictive action, wisely pointed out that the vote in effect was a reversal of the same group's prior action last year when it voted to implement an expansion plan for the Voice of America.

In the welter of discussion, and despite the pious pretensions of the Members who wielded the ax, let it not be overlooked that the program this money was to finance was considered upon the very highest levels of government; that it was studied and approved, I repeat, by the Joint Chiefs of Staff; that it was authorized by the National Security Council.

Additionally, may I attest that in the conception, development, and refinement of this plan the Government had the benefit of the best technical skills available in the form of consultants from the Massachusetts Institute of Technology. Just how the members of the subcommittee who voted against funds for the extension of this vital informational project rationalized their objections poses a curious mental problem for me.

What I am seriously afraid of is that the inspired leaders of the opposition, drawing their opposition from sources best known to themselves, have made a serious error of misidentification. It is well known that the subcommittee which rejected the request for these much-needed funds has a quarrel with the management of the Office of International Information and Education Exchange, State Department, which supervises the popular Voice of America. I submit, Mr. Chairman, that the opponents of this well-recommended appropriation are going wide of the mark in their zeal to enforce punitive action against this Government agency. The subcommittee members have their targets confused. And, mind you, I am not, even for the sake of argument, lending any credence to the complaint for there is much impressive evidence to the contrary. As a matter of fact, the United States Advisory Commission on Information, comprising distinguished experts of long experience in the informational field, have gone on record strongly testifying to the able and efficient management of the whole program.

But to return to my point: I say again and again the funds here under consideration are for physical facilities for use several years hence. No matter who will be in charge, certainly the Voice of America will be in operation, unless disaster overwhelms the democratic world; of course, it will not be very vocal if it continues to receive the kind of congressional treatment it has received from the Appropriations Committee.

Allowing just for discussion's sake for the moment the validity of the subcommittee's charge of inefficiency in management, I am sure, Mr. Chairman, that

you will agree the prescription for relief of the condition is drastically dangerous. You do not cut off the patient's head to cure a toothache.

And while we are on the subject of the subcommittee's criticism of the management, I find it surpassingly strange that not a single member of the dissident group has ever once visited the headquarters of the Voice of America to inspect their facilities, to see the plant in operation in the last 2¼ years. Now this might be understandable if their headquarters were located remotely in Alaska, but after all the Voice's functional operations are in centrally located New York, readily accessible from many points. Of course, it may all have been done with mirrors; the subcommittee may have a monopoly on crystal balls, but certainly the conclusions were not based on first-hand inspectional information.

If I may be allowed a mild discursion for a moment, I would like to point out that on this same subject of efficient operation and effectiveness, the Voice of America each month receives thousands of letters from listeners inside iron-curtain territory attesting to their appreciation of its great value. I could give you exact totals and points of origin of such testimonials, but you know that I am precluded from doing this because of security reasons. It is sufficient to say, however, that all such affirmative evidence was available to the subcommittee, but the critics were so filled with their intent of denunciation that no time or thought apparently could be spared upon such a legitimate and pertinent study.

I must apologize for yielding to the attractive temptation of discussing the merits of the management of the Voice of America. I know that this group is whole-hearted and whole-souled in its work; there is a fighting team on the field for the Voice; the members have enthusiasm, energy, experience, and ability. They are a dedicated crew if I ever saw one. But I need must discipline myself and return to the heart of this problem—the funds in question, the facilities herein proposed are an entirely separate matter and should be so considered. They relate to a future day, a larger operation, a stronger Voice. If that imperative objective is to be realized, then the start must be made now. Time remains one of the great allies and assets of the democracies—we squander it only at our own peril.

Certainly, we would not cancel out our military training program because of our inability, at this hour, to agree upon a commander who might head a campaign 2 or 3 years hence. That, of course, would be a tragically foolish thing to do, as I know you will agree, and yet this analogy is perfectly fitted to the negating action of the appropriations subcommittee in slashing this fund as it has done.

Perhaps we may find some measure of guidance and inspiration in what Father Brown, the fictional masterpiece of Gilbert K. Chesterton, calls the essential clue. It may be providential that in cutting the heart out of this appropriation the subcommittee left some identifying

entrails; believe it or not, the sum authorized by the subcommittee after its financial Roman holiday is for the implementation of one phase of this expansion of facilities program.

I must remind you that in a happier day of clearer vision, when thinking was more attuned to the realities of the international situation, and was not beclouded with personal feelings or actuated by revenge politics, and the national welfare everywhere was put above a personal vendetta, this same subcommittee set in motion this very program which it now so wantonly strikes down. Thus has it repudiated its own child in a sorry and shabby way.

Mr. Chairman, if I may indulge just for a brief bit further on your consideration, I would like to quote the opinion of that great and distinguished American, General Eisenhower, on the need for the things these slashed funds would provide. In addressing the Members of this Congress back in February, General Eisenhower said:

I believe that the United States needs a very, very much stronger information service. In our case, I would not call it propaganda because the truth is all we need.

We do not have to falsify the record nor our own intentions.

Now Mr. Chairman, I am sure you must be struck forcibly by the contradiction that we would propose to set up air bases on the Soviet periphery yet refuse to build a ring of transmitters so that the democratic story of freemen can be carried to the captives behind the iron curtain with force and clarity.

Are we to forego rich opportunities to expand the talking war in the hope that a total shooting war may be avoided?

Who wants to take the responsibility for this misguided restrictive measure upon his conscience?

To fail to make an all-out effort on the truth-propaganda front is, I submit, to commit political hara-kiri.

By our own hand we would be inflicting a self-invited defeat of major proportions in the cold war.

Mr. Chairman, I pray with all the humility and sincerity at my command that wiser counsel will ultimately prevail that the RECORD will never attest that this body was guilty of the grave political sin of strangling the Voice of Freedom.

I was very interested in hearing what the Congressman from New York had to say this afternoon with regard to the three dispatches which he claims are critical of the State Department's information program. I might mention that since these are classified documents—two confidential and one restricted—this is really news.

Since the Congressman from New York has taken the trouble to point out certain of the items contained in the dispatches, I think we ought to be thorough in the matter and point out some other things which he did not mention.

In the first place, the Congressman from New York failed to point out that only 10 copies of the pamphlets were distributed as pilot models, in order to obtain the reactions of the various country missions as to their usefulness in each country. I think we should con-

sider it as evidence of good management on the part of the information program that they send these pamphlets out to the Embassies to find out whether it will serve a useful purpose for them to be translated and printed for distribution in the country and in what manner they need be adapted in order to obtain the maximum effectiveness.

It is quite true that in the Scandinavian country concerned, our Embassy reported that the pamphlets, *A People Moves Ahead* and *A Community in Action*, would not be useful. It is interesting that the Department, in its prior planning, did not contemplate a language version for Scandinavia. The Congressman from New York failed to point out that the third of the three pamphlets sent to this Embassy received a very warm welcome and that the Embassy said in the quoted dispatch that it could use 40,000 copies of *Meet Some Americans* in Norwegian and 5,000 copies of the English edition.

At the risk of boredom, I would like to point out again that these pamphlets were sent out to the Embassies in very small numbers—I believe it is only 10 for each Embassy—for critical comment. We, and particularly the Congressman from New York, should be glad that the USIE program is so well run that it obtains such critical comment before it spends the taxpayers' money in having the pamphlets printed in large numbers of translated versions.

And now we come to the comments which were made regarding the VOA audience in Cuba. As was pointed out, the dispatch mentioned a survey in which it was estimated that only 697 persons listened to a VOA program at a particular period of time. The Congressman failed to point out that the same survey stated that since there are 80 licensed stations in Cuba and a free press and radio and since Cuba is near to America—that country is considerably less than ideal for shortwave programs. If we are going to compete in Cuba, and in other Latin-American countries, with other radio programs we shall have to do it on the basis of medium wave. How the Department of State is going to turn the Voice of America into a competitive medium-wave program even though it is denied the funds to establish the necessary radio facilities is a question which perhaps my distinguished colleague can answer.

That the information program operators recognize this problem and are trying to meet it within their fund limitations is clearly brought out in a part of the dispatch which was not mentioned previously. This part shows that a daily USIE commentary program, prepared and paid for by the information people in the embassy, has quite a high rating for this type of show. This show was estimated as being listened to by approximately 10 percent of the sets turned on during the period studied.

Furthermore, it has not been previously pointed out that the dispatch says that the survey was entirely based on Havana listeners and did not include local stations in Cuba on which broad use of VAO recordings is made.

Lastly, it was not pointed out that according to the dispatch the embassy itself was not trying to prove or disprove anything but merely sending in a piece of information to be used, along with many, many other pieces, in evaluating the program.

If we are to have an information program with maximum effectiveness, it is necessary that that program look at itself and have others look at it, as objectively and as critically as possible. I know of no better way to kill this spirit of objective criticism on the part of those operating the program, than to make broad and denunciatory comments each time the program receives one of these critical appraisals.

[From the New York Times of April 8, 1951]

MORE "VOICE" FUNDS HELD A VITAL NEED—COMMISSION IN REPORT WRITTEN BEFORE PROPOSED CUT OF 90 PERCENT CITES DANGEROUS SITUATION

WASHINGTON, April 7.—A group of four private citizens constituting the United States Advisory Commission on Information, finding the situation at this moment more dangerous than 6 months ago, appealed to Congress today to supply whatever funds were necessary for an all-out war of ideas.

The commission, submitting its semiannual report, in effect took sharp issue with the drastic cut of 90 percent administered by the House Appropriations Committee yesterday to the State Department's request for Voice of America funds.

Writing before the committee's action was taken, the authors of the commission report urged Congress to meet the administration's request for the supplemental \$97,500,000 sought for expanding the facilities for "The Campaign of Truth." The House Funds Committee voted to give only \$9,533,939.

REPORT BACKS MARSHALL

Agreeing with General of the Army George C. Marshall, Secretary of Defense, that the world situation had worsened in the last 6 months, the commission declared:

"Therefore we strongly urge that Congress keep right on providing enough ammunition and manpower with which to wage the war of ideas. To cut down the information program at this critical moment would be to court new disasters.

"Although the tide of Communist influence in Western Europe has been turned back, it is manifest that in vast uncommitted areas of the world the United States has a long way to go in clarifying its motives and its meaning to peoples. Such clarification requires a major information program. We must not stop or slow up now."

Set up by Congress in 1948 to recommend information policies and programs for the Secretary of State, the commission found in its report that the State Department had done a laudable job with the Voice of America and needed additional funds to improve and expand its effectiveness.

EARLY CONGRESS ACTION HAILED

The report also had some kind words for the Eighty-first Congress, praising the legislators for providing last year the funds to lay the groundwork for an adequate effort.

"It is immensely gratifying," the report went on, "that the real nature of the world crisis was perceived by Congress, and that enough funds to mobilize our ideological warfare were made available.

"This commission has always emphasized that it is far more important to spend well than it is to spend a lot. But there is real danger now, in April 1951, that we slip back into complacency."

Of special interest to the State Department was the commissioner's recommenda-

tion that the international information program remain in the State Department. It has been proposed by Senator WILLIAM BENTON, Democrat, of Connecticut, that the Voice of America and other such information efforts be administered by a new agency.

The commission reported that its major recommendations over the last 2½ years had been largely carried out by the State Department. These recommendations asked that the information program be closely integrated with policy-making at all levels; that the programs be substantially enlarged; that additional skilled people be brought into the effort, and that the program itself be carefully evaluated in the field.

On the basis of its last half-year of study, the commission listed these conclusions:

"That the program is being efficiently administered.

"That its personnel has been greatly improved, and is being steadily enriched by specialists of larger experience and talent.

"That the expansion authorized by the Eighty-first Congress as the 'Campaign of Truth' is being effectively carried forward.

"That most of the recommendations made by this commission have been put into effect.

"That a great deal more can be done, and must be done, before the United States will be adequately waging the war of ideas.

"That the evaluation techniques through which the Department tests its programs need further strengthening, as much as possible through independent sources."

SEPARATE AGENCY NOT FAVORED

"That grave doubts exist whether major structural changes, such as taking the program outside the State Department, will be an improvement. We are aware of the advantages of a separate agency, but we are more impressed by the disadvantages of divorcing policymaking from operation, and of setting up almost inevitably conflicting representation in foreign countries.

"That channels which have been opened up to bring American private expertise into the program in advisory and consultative capacities show great promise of effective results."

The Chairman of the Commission is Erwin D. Canham, editor of the Christian Science Monitor. Other members are Philip D. Reed, chairman of the board of the General Electric Co.; Mark A. May, director of the Institute of Human Relations at Yale, and Justin Miller, president of the National Association of Broadcasters.

Ben Hibbs, editor of the Saturday Evening Post, did not sign the report because he was only recently named to the commission and has not yet been confirmed by the Senate.

PROPOSAL FOR LATIN AMERICA

WASHINGTON, April 7.—The information program is running head-on into competition with Russia in Latin America, the commission said in an analysis of the State Department's information program in Mexico and Brazil submitted with its general report.

Written by Justin Miller, who attended the meeting of the Inter-American Association of Broadcasters in Sao Paulo, it said the distribution of books and magazines was important in combating communism in both countries.

"In the several cities which I visited I found liberal quantities of Russian magazines," Mr. Miller wrote. "I inquired what sale there is for such magazines and upon what basis they are handled by the news vendors, but was not able to get a satisfactory answer.

"There is a good deal of speculation to the effect that Russia is supplying these magazines free of charge to the news vendors and that they are taking whatever profit they can get out of those which they sell."

[From the New York Herald Tribune of April 8, 1951]

STATE DEPARTMENT CAMPAIGN OF TRUTH IS RUN WELL, OUTSIDE EXPERTS SAY—CONGRESS' ADVISORY GROUP WARNS OF BIG JOB AHEAD IN WAR OF IDEAS, URGES NECESSARY FUNDS

(By James E. Warner)

WASHINGTON, April 7.—The State Department's information program, the Campaign of Truth aimed at both sides of the iron curtain, is being efficiently administered, a commission of private experts reported tonight.

The opinion was given by the United States Advisory Commission on Information, headed by Erwin D. Canham, editor of the Christian Science Monitor.

The Commission warned, however, that much more must be done to spread the Campaign of Truth around the world before the United States will be adequately waging the war of ideas, and called on Congress to continue to provide funds.

The warning came as the House pondered a recommendation from its Appropriations Committee to ignore a special plea from President Truman earlier this week and reduce from \$97,500,000 to \$9,533,939 the budget for the Voice of America, which is the broadcasting section of the over-all information program.

The Commission was making its fourth semiannual report to Congress. It agreed with Secretary of Defense George C. Marshall that the world situation is more dangerous now than 6 months ago and urged Congress "to keep right on providing enough ammunition and manpower with which to wage the war of ideas."

Conceding that the State Department currently is a political target area, the Commission nevertheless opposed proposals to take the information program away from that Department and establish it either as an independent entity, or put it in another agency, possibly the Economic Cooperation Administration.

It endorsed congressional proposals for an investigation of the program, however, provided that the inquiry would not monopolize the time of those trying to operate the program.

Signers of the report, in addition to Mr. Canham, are Philip D. Reed, chairman of the board of the General Electric Co.; Mark A. May, director of the Institute of Human Relations at Yale University, and Justin Miller, president of the National Association of Broadcasters. Ben Hibbs, editor of the Saturday Evening Post, nominated recently as the fifth member of the Commission, did not sign it because he has not yet been confirmed by the Senate and felt that he is not sufficiently informed about operations of the program.

CONCLUSIONS LISTED

The Commission said its present basic conclusions are:

"That the program is being efficiently administered; that its personnel has been greatly improved, and is being steadily enriched by specialists of larger experience and talent; that the expansion authorized by the Eighty-first Congress as the Campaign of Truth is being effectively carried forward; that most of the recommendations made by the commission have been put into effect."

It added, however, that: "A great deal more can be done, and must be done, before the United States will be adequately waging the war of ideas; that the evaluation techniques through which the Department tests its program needs further strengthening, as much as possible through independent sources."

"Grave doubts exist," the Commission said, "whether major structural changes, such as taking the program outside the State Department, will be an improvement. We are

aware of the advantage of separate agency, but we are more impressed by the disadvantages of divorcing policy-making from operation, and of setting up almost inevitably conflicting representation in foreign countries."

NEED OF SINGLE VOICE NOTED

Developing the latter point, the Commission said that a vital requisite is that the information program should not be remote from policy-planning.

"Another equally significant need," it said, "is that the United States abroad should speak with a single voice. There can be separate tones and modulations in that voice, and a choice of vocabularies, but the voice should not contradict itself. We do not believe that the Office of War Information operations in World War II were altogether happy as far as policy coordination is concerned."

Transfer of the program to a separate agency or to the ECA "would inevitably tend to set up rival United States embassies in foreign countries," the Commission declared.

"One would be the regular State Department embassy. The other would be the ECA or the information set-up. Strenuous efforts would be needed, and in the past they have not always been successful, to bridge the gulf between two such entities * * * thus the chasm between the information and policy—which this commission has tried so earnestly to help close—would begin to yawn again. At times there would seem to be two policies: The official State Department one, and the one being promulgated by the information people. This would be a deplorable state of affairs. No propaganda can be any stronger than the policy from which it springs * * * since most foreign policy is made by the State Department, the closer the information program can be to the State Department the more effective the propaganda will be."

REPORTS ON LATIN AMERICA

Within the State Department the commission said it would "be very interested" in raising information activities to the level of the Under Secretary of State, noting that by the end of this year nearly half the department's employees and half of its funds will be devoted to information work. At present the program is directed by an Assistant Secretary, Edward W. Barrett.

Mr. Miller reported independently on operations in Latin America, and particularly of the program in Mexico and Brazil, where he recently visited. Like the commission as a whole, Mr. Miller found the program generally good, but noted that he found "some apparent road blocks resulting from unwillingness of some foreign service officers to accept the information service."

Specifically, Mr. Miller reported that such road blocks has resulted in the failure to put mobile units into operation in Brazil, and in delays for information officers sometimes stretching into weeks because of an insistence that their communications go "through channels."

The full commission noted that in the past it had told the State Department about certain individuals in the program being "unsuited to their jobs" and that the department had taken "informed action." It mentioned no names, but said it is prepared to give Congress its "candid judgment" on any one in the program if asked.

"We now understand," the members said, "that some of the men at the top of this program are under severe criticism in some congressional circles. We stand ready to give our evaluation of these individuals if it is desired. But we wish to state unequivocally that since the application of the Hoover Commission reorganization, this program has steadily improved in its administration. We regard the keymen in the program as skilled and experienced administrators."

[From the Washington (D. C.) Star of April 8, 1951]

RAYBURN TO DEMAND REASON FOR DRASTIC CUT IN "VOICE" FUND—WANTS PROOF OF NEED TO REDUCE PROGRAM AGAINST COMMUNISM

Speaker RAYBURN said yesterday he would question on the House floor an \$88,000,000 slash in a State Department request for \$97,500,000 for the Voice of America.

Mr. RAYBURN, who has demonstrated his awareness of the far-reaching and devious menace of communism, showed in an interview with the Star that he was disturbed by the drastic cut in funds asked for the construction of new radio transmitters for the voice program.

The slash was voted Friday by the House Appropriations Committee in reporting a third supplemental appropriation bill. The committee voted for \$9,533,939 to complete seven radio construction projects now under way and turned down a State Department request for funds for the building of 13 additional facilities to carry the message of democracy behind the iron curtain.

DEMONSTRATION IS WANTED

In saying he would ask some questions about the cut in the voice funds, Mr. RAYBURN said:

"I want them (the committee members) to demonstrate that the amount the committee recommends is sufficient to carry on the Voice of America program in an efficient manner."

In its action, the House committee overrode a special plea by President Truman who said earlier that the additional money would enable the Voice of America to expand its broadcasts to countries behind the iron curtain.

There was no specific comment from the State Department on the committee's action. But officials said it was impossible to supply the committee with details it asked about the proposed new construction of transmission facilities until it had funds with which to carry on the undertaking.

NEGOTIATIONS ARE BLOCKED

Manufacturers, it was pointed out, will not take the trouble to make detailed estimates for new transmitters when there is no certainty of money being available to order them.

Similarly, they added, they cannot negotiate successfully for land abroad on which to build the transmitters until there is money available to buy the land.

On the question of the effect on the efficiency of the Voice program—the question that Mr. RAYBURN will raise—State Department spokesmen pointed out that it was necessary "to get our story behind the iron curtain."

The additional transmitters for which funds were requested and denied by the Appropriations Committee, it was added, are needed to bring the message of democracy to the countries cut off from other means of information. Most of them would be medium-wave transmitters to reach a larger audience than present short-wave broadcasts.

WOULD BE VITAL BLOW

Hence this State Department attitude: The House committee action, if not overruled by the House itself, will strike vitally at the efficiency and primary purpose of the Voice program.

In denying the State Department request the committee, in a formal report, said that "lack of proper planning, poor management, and avoidable delays in the execution of plans and contracts" had been shown by the State Department in furthering the Voice program.

"The material submitted to the committee in support of the estimate," the report said, "lacked definiteness and was so devoid of specific data that it could not be considered a plan of action."

POOR PLANNING CHARGED

The committee asserted it had supported the Voice program since its beginning and believed there is "a great need for combating the insidious propaganda emanating from the Kremlin." But it added:

"It wholeheartedly believes that, properly managed and directed, the Voice of America is the best medium for accomplishment of a campaign of truth that has been devised. However, the committee must say that it is very much disappointed in the accomplishments and progress to date."

"Mismanagement and poor planning with regard to both engineering and to the administrative phases of the program have cost valuable time as well as dollars."

The State Department is considering putting some of its transmission facilities on ships, the report disclosed. It said only that "a number of these planned facilities" might be located on ships. But the committee added it was given "only vague and incomplete estimates of the number and costs of such facilities as compared with land installations."

REPORT PRAISES WORK BUT SAYS MUCH MORE MUST BE ACCOMPLISHED

(By Garnett D. Horner)

American's expanded "Campaign of Truth" is being carried forward effectively but much more "must be done before the United States will be adequately waging the war of ideas," the United States Advisory Commission on Information reported last night.

Urging substantial enlargement of the foreign information program conducted by the State Department, the Commission said that to cut it down "at this critical moment would be to court new disasters."

The semi-annual Commission report to Congress came as the administration was battling a move in the House to cut Voice of America expansion funds by 90 percent.

REPORT PRAISES PROGRAM

The Commission was set up by Congress in 1948 to make recommendations to the State Department for improving the information program and report to Congress on its effectiveness. It is composed of private citizens prominent in newspapers, radio, business, and educational fields.

In its report made public last night, the Commission said its basic conclusions are that:

1. "The program is being effectively administered."
2. Its personnel "has been greatly improved."
3. Expansion authorized by the last Congress as the "Campaign of Truth" is being effectively carried forward."
4. Most of the recommendations made by the Commission have been put into effect.
5. "A great deal more can be done and must be done before the United States will be effectively waging the war of ideas."
6. Evaluation techniques through which the State Department tests its programs "need further strengthening, as much as possible through independent sources."

"GREAT PROMISE" SHOWN

7. "Grave doubts exist" about whether putting the information programs under a new separate agency instead of the State Department would be an improvement. These doubts were based largely on disadvantages of divorcing information operations from policy-making.

8. Channels which have been opened up to bring American private expertise into the program in advisory and consultative capacities "show great promise of effective results."

Recalling that it previously had urged substantial enlargement of the information program, the Commission said this still is "necessary so that the United States shall

not lose the struggle for men's minds and for their active support.

It warned that "there is real danger now that we slip back into complacency."

SUPPORTS MARSHALL VIEWS

Declaring that it believed Defense Secretary Marshall was right when he said recently that he regards the present situation as more dangerous than it was 6 months ago, the Commission added:

"Therefore we strongly urge that Congress keep right on providing enough ammunition and manpower with which to wage the war of ideas. To cut down the information program at this critical moment would be to court new disasters.

"Although the tide of Communist influence in Western Europe has been turned back, it is manifest that in vast uncommitted areas of the world, the United States has a long way to go in clarifying its motives and its meaning to peoples. Such clarification requires a major information program. We must not stop or slow up now."

The report was signed by Erwin D. Canham, editor of the Christian Science Monitor and chairman of the Commission; Philip D. Reed, chairman of the board of General Electric Co.; Mark A. May director of the Institute of Human Relations at Yale University and Justin Miller, president of the National Association of Broadcasters.

Ben Hibbs, editor of the Saturday Evening Post and the newest member of the Commission, did not sign the report because he was not confirmed by the Senate as a member when it was prepared.

[From the New York Times of April 9, 1951]

FUNDS FOR THE VOICE

Congress simply cannot afford to ignore the report on American propaganda activities issued over the week end by the small but distinguished group of private citizens who constitute the United States Advisory Commission on Information. The report is of special interest at this time, as the House may vote today on granting the funds necessary to bring the transmission facilities of the Voice of America, one of the most important factors in the information program, up to the most effective strength.

Headed by Erwin D. Canham, editor of the Christian Science Monitor, the Advisory Commission finds that the entire program is being efficiently administered, its personnel has been steadily improved and its expansion under previous congressional authorizations is being effectively carried forward. The commission warns Congress and the American people that there is real danger . . . that we slip back into complacency and that we must not stop or slow up now.

This is just exactly what the House would be doing if it would sustain the adverse recommendation of its Appropriations Committee in respect to the Voice. The \$89,000,000 at stake would carry to rapid completion a carefully planned project (originally designed to be spread out over a 3-year period) to rim Soviet Russia and its peripheral states with transmitters that for the first time would enable the Voice effectively to get through hostile jamming and to spread its campaign of truth widely through the Soviet area. One-third of this expansion program was approved last year and is already well under way; it makes no sense deliberately to allow the work to lapse in this most critical period.

The Voice of America is a favorite whipping boy inside Congress and out, and some of the whipping may have been deserved in the past. But it seems to us that the House subcommittee, which denounced it for mismanagement and poor planning largely because all the sites of the proposed new facilities have not yet been finally selected, could not have looked very carefully or dispassionately into the problem. It is rather difficult to conclude delicate and complex negotiations with

foreign countries—where many of these transmitters will be located—without knowing exactly what funds are at hand to carry out the projects.

As the Advisory Commission notes a great deal more can be done and must be done with the information program as a whole; but to cut it down now would be only to court new disasters. We have said before that we do not believe the cold war is going to be won exclusively by virtue of American propaganda abroad. Nonetheless it is a weapon of very great importance and should be used with all the boldness, determination, and resources that we have at our command. It is a major arm of American policy, and it deserves the most fair-minded and nonpolitical attention of the Congress.

[From the New York Herald Tribune of April 8, 1951]

How Not To Do It

It is very easy to sympathize with the alarm of the House Appropriations Committee at rising costs of government and with its annoyance over the failure of Government agencies to cut superfluous in meeting the national emergency. But in its intemperate zeal the committee has behaved like an enthusiastic private on his first KP—the floor is littered with peels, but there is very little left of the potato.

The most shocking example of this hacking technique was the fate of the appropriation for the American information program, including the Voice of America. With a pious expression to the effect that, "properly managed and directed, the Voice of America is the best medium for accomplishment of a campaign of truth that has yet been conceived," the committee chopped off 90 percent of the sum requested. In justification, the group charged that "avoidable delays" in placing contracts, poor planning and management had added to the cost of constructing new facilities; the committee is "very much disappointed" in the way the program of truth is being advanced, both as to methods and progress. Therefore—although this seems like a non sequitur—it is reducing the amount it recommends for the Voice to virtually nothing.

As to the effectiveness of the information project and the skill with which it is being directed, there is better testimony than the committee presents. The United States Advisory Commission on Information, set up by statute to play watchdog and inspiration to the program, has just issued its fourth semiannual report. Headed by the distinguished journalist, Erwin D. Canham, it is a group whose experience and stature commands respect. It finds that the program is being efficiently administered; that personnel has been improved; that expansion is going forward soundly. The Commission urges strongly that Congress keep up the supply of manpower and ammunition "with which to wage the war of ideas." "To cut down the information program at this critical moment," states the report, "would be to court new disasters."

The Commission knows whereof it speaks. There is reason to doubt that the House committee has any factual information to justify its position on the Voice, and no doubt whatever that it has taken the wrong method of instituting any corrections that it may deem necessary. The House Appropriations Committee has shown how not to reduce Government expenditures; it is up to Congress as a whole to tackle the job from the right end. If the bath water must be thrown out, at least save the baby first.

UNITED STATES ADVISORY COMMISSION ON INFORMATION. SEMI-ANNUAL REPORT TO THE CONGRESS, APRIL 1951

FOREWORD

The United States Information and Educational Exchange Act of 1948 (Public Law

402) was approved by the Eightieth Congress on January 27, 1948, an act "To promote the better understanding of the United States among the peoples of the world and to strengthen cooperative international relations."

Public Law 402 created the United States Advisory Commission on Information to formulate and recommend to the Secretary of State policies and programs for the carrying out of the act. It required the Commission to transmit to the Congress a semiannual report of all programs and activities carried on under the authority of the act, including appraisals, where feasible, as to the effectiveness of the several programs, and such recommendations as shall have been made by the Commission to the Secretary for effectuating the purposes and objectives of the act and action taken to carry out such recommendations.

This is the fourth semiannual report by the United States Advisory Commission on Information to the Congress. The third report was transmitted in July 1950.

ERWIN D. CANHAM,

Chairman.

PHILIP D. REED,

MARK A. MAY,

JUSTIN MILLER,

NOTE.—Mr. Ben Hibbs, who has been nominated recently as the fifth member of the Commission on Information, has not signed this report, since he has not yet been officially confirmed and since he feels that he is not informed sufficiently regarding the operations of the information program.

UNITED STATES INFORMATION PROGRAM

How are we doing in the war for the minds of men?

Should the United States information program be taken out of the Department of State and placed in a new agency, or in the Economic Cooperation Administration?

How well is the program now being administered?

Are there major organizational rearrangements which could be made inside the State Department to achieve many of the advantages of a separate agency?

Is American private enterprise given adequate channels to make its large experience available to the information program?

These and many other questions have preoccupied the United States Information Commission, set up under the Smith-Mundt Act (Public Law 402), since we presented our last semiannual report to the Congress.

Obviously, this Commission, composed of citizens who can give only part-time attention to the problems of the information program, cannot give definitive answers. But we are required under the law to advise the State Department and the Congress on the effectiveness of the information program. Therefore, this brief and summary report will present our over-all conclusions and opinions. Of course, we take no part in the administering of the program. Our opportunities for observing it are limited. But we have kept close to the program now for 2½ years. We have carefully followed up the various recommendations we have made to the State Department and to the Congress.

Our present basic conclusions are these:

That the program is being efficiently administered.

That its personnel has been greatly improved and is being steadily enriched by specialists of larger experience and talent.

That the expansion authorized by the Eighty-first Congress as the "campaign of truth" is being effectively carried forward.

That most of the recommendations made by this Commission have been put into effect.

That a great deal more can be done, and must be done, before the United States will be adequately waging the war of ideas.

That the evaluation techniques through which the Department tests its programs need further strengthening, as much as possible, through independent sources.

That grave doubts exist whether major structural changes, such as taking the program outside the State Department, will be an improvement. We are aware of the advantages of a separate agency, but we are more impressed by the disadvantages of divorcing policy making from operation and of setting up almost inevitably conflicting representation in foreign countries.

That channels which have been opened up to bring American private expertise into the program in advisory and consultative capacities show great promise of effective results.

I. What have the State Department and the Congress done to carry out our recommendations?

This Commission has made four major recommendations to the State Department and the Congress in the 2½ years of its operation:

1. That the information program must be closely integrated with policy making at all levels. This is necessary so that policy may be formulated with its informational consequences in view and so that the information people know intimately and speedily just what policy is.

2. That the program should be substantially enlarged. This was, and is, necessary so that the United States shall not lose the struggle for men's minds and for their active support.

3. That additional skilled people be brought into the program. The need for the highest talents, skills, and administrative efficiency is obvious.

4. That the program be carefully evaluated in the field. This is indispensable so that we know whether or not we are hitting the target; whether or not the people's money is being well spent.

Ties with policy making

The Commission is most gratified that its recommendations have been largely carried out. The first need, which we began pointing out in 1948, was that career and Foreign Service officers in the State Department should become conscious of the vital importance of the information program, and should cooperate effectively with it in Washington and in the field. Much progress has been made in this direction.

The Assistant Secretary for Public Affairs now participates in the formulation of policy of the Department. He advises the Secretary, the Under Secretary, and other top-level staff of the Department on public-opinion factors, domestic and overseas. A representative of the immediate staff of this Assistant Secretary participates in the meetings of the Policy Planning Staff of the Department. Through the Hoover Commission reorganization, specialists from the public affairs area have been placed in the functional or geographic divisions of the Department. All this has brought information far closer to policy making than ever before.

Nevertheless, better organizational status for the growing information program within the Department is desirable. This subject is discussed more specifically later in this report. We are not satisfied that the public affairs officers now placed in the various other divisions of the Department, and particularly operating in the field under the area Assistant Secretaries of State, have the support they require. We believe, as we state later, that more careful study must be given these organizational problems.

Obviously, to integrate this new and different kind of foreign operation—the information program—into the long-standing stereotypes of the Foreign Service is not a job to be accomplished overnight. In some areas in the field, the career men have a deep awareness of the job to be done and a real flair for its techniques. This sort of thing ought to be encouraged at every opportunity. All Foreign Service officers should be carefully briefed, and repeatedly, on the values of the information program.

A larger program

As to our second recommendation, the program's enlargement, Congress in 1950 went far in its supplemental appropriations to lay the ground work for an adequate effort. It is immensely gratifying that the real nature of the world crisis was perceived by Congress, and that enough funds to mobilize for ideological warfare were made available. This Commission has always emphasized that it is far more important to spend well than it is to spend a lot. But there is real danger now, in April 1951, that we slip back into complacency.

The situation in Korea to some seems less menacing than it did in mid-1950; the Soviet Union (as we write) has made no new dangerous gestures. Despite grave uncertainties in Iran, Yugoslavia, Indochina, and elsewhere, American public opinion—manifestly and properly reflected in Congress—is tending to cool off.

We believe, however, that Secretary Marshall was right when he said on March 27 that he regards the present situation as more dangerous than it was 6 months ago. Therefore we strongly urge that Congress keep right on providing enough ammunition and manpower with which to wage the war of ideas. To cut down the information program at this critical moment would be to court new disasters. Although the tide of Communist influence in Western Europe has been turned back, it is manifest that in vast uncommitted areas of the world, the United States has a long way to go in clarifying its motives and its meaning to peoples. Such clarification requires a major information program. We must not stop or slow up now.

Personnel improvement

We are particularly gratified at the way in which the information program's personnel has been steadily improved. It takes a great deal of patriotic self-sacrifice for men and women who are highly skilled and highly paid professionals to leave their long-range posts and come into governmental service under conditions of uncertainty and often abuse which have prevailed in recent years. These people deserve the highest recognition and gratitude of their country. There are not a few of them. They have recognized the gravity of the world crisis and they have enlisted voluntarily in the war of ideas.

One of our members, on a recent swing around the circuit overseas, ran into men who were on leave of absence from \$35,000-a-year jobs, digging into tasks at much lower levels because they have understood that this ideological conflict is no less urgent than—indeed is the very heart of—the power struggle. A good many other skilled professionals have been able to squeeze out a few weeks or months from their regular jobs to consult with the Department or to perform special tasks. All this has contributed measurably to the improvement of the staff.

But the greatest credit goes to those who have stuck by the battle through thick and thin—and sometimes it has been very thin—when complacency or unawareness spread over national thinking. Some of them have turned down very lucrative job opportunities—and this is particularly true in the radio field—just because they felt deeply and sacrificially that they were enlisted in a significant cause. We are not so naive as to ignore the presence in the information program—as in most other branches of Government—of people who do not compare in talent and skills with that required in most private industry. But, as people in private lives ourselves, we have no hesitation in saying that many of those who have taken this program through its slimmest days possess skill and ability which compare very favorably with that to be found anywhere.

It might be considered invidious to single out individuals by name. But we are quite ready to do so if Congress desires. We have formed our own opinions, on the basis of close and protracted observation, of the men

carrying the most significant responsibilities. We are prepared to give candid judgments of any of them. We have freely recommended to the State Department in the past the certain individuals were in our view unsuited to their jobs. The Department has carefully listened to our advice and taken informed action.

We now understand that some of the men at the top of this program are under severe criticism in some congressional circles. We stand ready to give our evaluation of these individuals if it is desired. But we wish to state unequivocally that since the application of the Hoover Commission reorganization this program has steadily improved in its administration. We regard the keymen in the program as skilled and experienced administrators.

A prominent business and professional man, an expert in administrative organization, in response to our inquiry recently told our Commission that in his view the administrative work in this area is of high caliber and would do credit to the best organized private business. Another professional expert, commenting to us on the operations of the International Broadcasting Division, said that there are few radio administrators or engineers in the country who have capacities to excel those in charge of this operation. No doubt these two private experts, as well as many others, would be glad to testify to the business efficiency and leadership of such men as are now carrying on this far-flung program.

Naturally we are not pretending to give blanket endorsement to all the personnel. It is obvious that many of them can be improved—and are being improved—by judicious hiring and transfers. In passing, it is worth remarking that few private businesses could recruit personnel effectively if something like a 90-day wait had to take place between the moment of persuading a person to take the job and the time he was cleared for hiring. Security clearances are vital. But they render recruitment exceedingly difficult. It is to be hoped that they can be improved without reducing the safeguards.

Better evaluation

Our fourth major recommendation was of better evaluation of the target effectiveness of the information program.

A year ago the Commission recommended that more attention be given to the evaluation of the impact of the program on the peoples of the world. There was at that time—and still is—need for more specific information on how the battle for men's minds is going. Are we hitting the targets toward which the outflow of information is aimed? How well is the line against the spread of communism being held? Are we winning converts from communism to freedom?

It is recognized by the Commission that these are difficult questions, but they are of immense importance for obvious reasons.

The steps taken thus far by the Department toward a more intensive and systematic evaluation of the effectiveness of the program consist of (1) the organization of an evaluation staff, at the general manager's level, composed of six members, concerned primarily with planning and conducting the over-all evaluation of the effectiveness of all media in all countries, and (2) the organization of media division evaluation staffs. The largest of these is that of the International Broadcasting Division, which now has 74 persons with provision for a total of 102 for 1951. The staffs of the other media divisions are in the process of organization. (3) The allocation of 40 positions to the research and intelligence area of the Department for purposes of providing the basic cultural anthropological research for guidance to public affairs officers; maintaining a library of sample foreign propaganda; additional biographical intelligence facilities; analyses and summaries of public-opinion

surveys; surveys of world reaction to major United States policy moves; analyses of foreign propaganda content; and the collection of intelligence material for the use of USIE. (4) The allocation of USIE field staff positions to the evaluation function on a pilot-project basis. Three positions have been allocated to date, one of which is filled at this time.

At present the main activities of the central and special staffs include (1) the screening of reports from USIE field offices for instances of favorable and unfavorable responses, (2) planning studies to be done under contract by private research organizations such as opinion attitude surveys in selected foreign countries; content analyses of media output; media improvement studies; and studies to determine the local communications channels from which the target audiences form their opinions. (A number of such studies have been completed for the International Broadcasting Division).

There are two ways of assessing the effectiveness of any program of public relations, advertising, or propaganda. One is to find out if the right things are being said to the right people, in the right ways, and at the right time and through the channels that are most likely to attract attention. It is assumed that if a program comes up to certain standards of quality and quantity it is bound to be effective. The other way is to assess the results by finding out how the program influences the behavior and beliefs of those to whom it is directed. Thus far the evaluation work of the Department has been mainly of the former type. The Commission notes with satisfaction, however, that plans for 1952 call for studies, in selected areas, of the extent to which people are becoming more favorable toward the cause of freedom as expressed in words and deeds.

The Smith-Mundt Act states that the Commission is expected to report to Congress its independent appraisals, when feasible, of the effectiveness of the program. This has been done in previous reports that have been made at times when one or more members of the Commission have returned from a trip overseas and have had an opportunity for firsthand observations. Recently Judge Justin Miller has visited several USIS posts in Latin American countries. His report to the Commission is submitted as an appendix hereto.

The Commission has given considerable thought to the question of how it can manage to provide Congress with more comprehensive independent appraisals, within the limits of the time and facilities at its disposal. The Commission has neither the time nor inclination to become an operating agency, even in the vital matter of independent evaluation. Its members will however continue, when possible, to make short trips to the field.

In addition, the Commission has recommended and the State Department has set up seven advisory committees (as provided in P.L. 402). The composition and scope of these committees is described later in this report. One of their most useful consequences will be the availability of committee members for private evaluations of the information program, through their various overseas contacts and trips. On these committees are outstanding national experts in the various media. They will be able to give invaluable help in judging the effectiveness of the program according to the best known standards of communication information.

II. Should the Information Program be placed in a separate agency, or given stronger status inside the State Department?

This Commission has no vested interest in the placement of the information program. We are solely concerned with its maximum effectiveness. If we were persuaded that it could function more effectively outside the State Department, we would feel obligated

to say so. But our experience has led us to have grave doubts that the program in the hands of a separate agency would operate as well as it does now. We believe the subject requires very careful study. We would therefore gladly endorse the proposals in Congress for an investigation of the information program, although we hope the investigation will not completely monopolize the time of those trying to administer these operations.

Pending the results of such an investigation, and for what it may be worth, here are our own observations based on 2½ years of scrutiny:

One vital requisite in the handling of the information program is that it shall not be remote from policy planning. Another equally significant need is that the United States abroad should speak with a single voice. There can be separate tones and modulations in that voice, and a choice of vocabularies, but the voice should not contradict itself. We do not believe that OWI operations in World War II were altogether happy as far as policy-coordination is concerned.

We recognize freely that if Congress agrees to set up an information agency of Cabinet rank, and if it creates enough top jobs at relatively good salaries, and if the right man can be persuaded to head the agency, and if some kind of exemption from FBI clearances prior to hiring personnel can be legislated, there is a chance that the proposed agency could get better personnel than is now employed. These are big ifs.

And, of course, the separate agency would require substantially larger appropriations than are now available to the State Department, for it would require its own house-keeping arrangements and many facilities it now gets by virtue of being inside the Department. Likewise, the higher rated jobs would require a higher payroll.

These presumed advantages would not apply to the transfer of the information program to the Economic Cooperation Administration, as proposed by Senator CHAVEZ. Such a shift would not up-grade the present jobs.

But transfer to ECA, as well as to a separate agency, would inevitably tend to set up rival United States embassies in foreign capitals. One would be the regular State Department Embassy. The other would be the ECA or the information set-up. Strenuous efforts would be needed, and in the past they have not always been successful, to bridge the gulf between two such entities. Even to require that everything should clear through the regular Ambassador does not solve the problem.

Thus the chasm between the information program and policy—which this Commission has tried so earnestly to help close—would begin to yawn again. At times there would seem to be two policies—the official State Department one, and the one being promulgated by the information people. This would be a deplorable state of affairs.

No propaganda can be any stronger than the policy from which it springs. Thus the information specialists should be at all times and at all levels just as close as they possibly can be to the making of policy. Sometimes policy is made by the junior officer who writes an original memorandum. Sometimes it is made by an unexpected utterance at a top-level press conference. But the information consequences of policy ought always be taken into account, and the information man ought always to be consulted. Since most foreign policy is made by the State Department, the closer the information program can be to the State Department, the more effective the propaganda will be. This is true provided a qualified group of specialists has been organized to do the operating of the information program. That is the present case.

There is one argument for a separate agency which lies in the realm of practical politics. The State Department is a "target area," politically, and has been so in one way or another for many years. It would be refreshing to give the information program the advantages of a honeymoon period, at least, before the shafts and arrows start flying. But this is a minor advantage, after all, compared to the massive handicap of separating policy from information.

These considerations seem very important to us. But we would not be dogmatic on the question. Let it be investigated. Particularly, there should be investigation of whether the advantages—or most of them—of a separate agency can be created inside the State Department. We would be very interested in a program raising the information activities to the level of the Under Secretary of State, and giving them new administrative flexibilities they do not presently have. By the end of 1951 nearly half the employees of the State Department will be in the information program, and nearly half the Department's appropriations will be expended for that purpose. It would seem essential to give such a program appropriate organizational weight inside the Department, rather than pyramiding it under the relatively low level of an Assistant Secretary of State. We recommend this subject be carefully explored.

III. Broadening the Commission's channels to the public:

The Commission has been most desirous to carry out the purposes of Public Law 402 by opening up wider channels of contact with appropriate professional and private sources. To that end, under the authority of the act, it has recommended and the State Department has set up seven advisory committees. Personnel of three of the committees have already received preliminary clearance and they are at work. The other four are currently in process of clearance, and all will soon be complete. The committees, widely representative of each field, are:

The Radio Advisory Committee, which consists of the following persons: Judge Justin Miller, Chairman (and member of the United States Advisory Commission on Information); William S. Paley, chairman of the board, Columbia Broadcasting System; Theodore C. Streibert, chairman of the board, Mutual Broadcasting Co.; Charles Denny, executive vice president, National Broadcasting Co.; Wesley I. Dumm, president, Associated Broadcasters, Inc., San Francisco, Calif.; Donley F. Feddersen, president, University Association for Professional Radio Education, Northwestern University, Evanston, Ill.; Jack W. Harris, general manager, Station KPRC, Houston, Tex.; Henry P. Johnston, general manager, Station WSGN, Birmingham, Ala.; Edward Noble, chairman of the board, American Broadcasting Co.; John F. Patt, president, Station WGAR, Cleveland, Ohio; Mefford R. Runyon, executive vice president, American Cancer Society; G. Richard Shafter, general manager, Station WIS, Columbia, S. C.; Hugh B. Terry, vice president and general manager, Station KLZ, Denver, Colo.

The General Business Advisory Committee, which consists of the following persons: Philip D. Reed, Chairman (and member of the United States Advisory Commission on Information); James A. Farley, chairman of the board, Coca Cola Export Corp.; Ralph T. Reed, president, American Express Co.; W. Randolph Burgess, chairman of the executive committee, National City Bank of New York; Sigurd S. Larmon, president, Young and Rubicam, Inc. (advertising); William M. Robbins, vice president for overseas operations, General Food Corp.; David A. Shepard, executive assistant, Standard Oil Co. of New Jersey; J. P. Spang, Jr., president, Gillette Safety Razor Co.; Claude Robinson, president,

Opinion Research Corp.; Warren Lee Pierson, chairman of the board, Transcontinental and Western Air, Inc.; Meyer Kestnbaum, president, Hart, Schaffner & Marx.

The work of the ideological committee is devoted to the consideration of special projects, and participants in the work of this rotating committee are persons with outstanding experience in the field under study. Each meeting will consist of a new group of specialists. The first group of such specialists were: George Gallup, Institute of Public Opinion; George S. Counts, Teachers College, Columbia University; Allen W. Dulles, director and president, Council on Foreign Relations; Elmer Davis, news analyst, American Broadcasting Co.; Alexander Inkeles, Harvard University.

Meetings of the ideological committee, under the chairmanship of Mark Ethridge, who was chairman of the commission until December 1950, and of the general business and radio committees have already been held. Many fruitful suggestions emerged from these meetings. One of them—to illustrate—was a request by domestic radio station operators for selections from Voice of America programs so that they might let Americans know the kind of propaganda that is going overseas in their name. The Department's Division of Public Liaison is working intensively to find means of making such material available.

Preliminary clearances are under way for the proposed members of the four additional committees, namely, film committee, of which Dr. Mark May will be chairman; press and publications committee, of which Mr. Ben Hibbs will be chairman; labor committee, of which Mr. Erwin D. Canham will be chairman; and public-relations committee, of which Judge Justin Miller will be chairman.

These seven committees will greatly strengthen the commission's channels into the heart of American private enterprise, labor, and the information media. We seek to make it possible for any qualified American to get his ideas regarding this program to the attention of the proper officials. At any rate, these representative groups are spread geographically and professionally over much of the Nation, and the results are already most encouraging.

Appendix is attached hereto.

APPENDIX

REPORT TO UNITED STATES ADVISORY COMMISSION ON INFORMATION EFFECTIVENESS OF USIS OPERATIONS IN MEXICO AND BRAZIL BY JUDGE JUSTIN MILLER

My conclusions concerning the operation of the United States Information Service in Latin America are based upon first-hand contact in Mexico and Brazil, with the members of the information staff, broadcasters, and newspaper people, and Government officials of the two countries which I visited. To a lesser degree, I was able to gain some information and form some impressions concerning the situation in other Latin-American countries from my visits with broadcasters who were attending the second general assembly of the Inter-American Association of Broadcasters, in Sao Paulo, Brazil.

From all contacts mentioned above, I got the impression of a generally friendly attitude toward the United States upon the part, both of government officials and of private individuals in these respective countries. From all of them I got, also, the impression that they are looking for assistance from the United States, both economically, technically, and in all forms of professional service.

I was assured by the broadcasters of several countries, in addition to those in Mexico and Brazil, that they are hungry for American program material in the form of

transcriptions and recordings; that they will be happy to give free time on their broadcasting stations for such programs; that they are receiving a good deal of such material at present from the British Broadcasting Corporation; and that the Russians would be glad to make their material available also. Generally speaking, I found little sympathy for the Russian propaganda.

Turning now to conclusions based upon my own observations in Mexico and Brazil, I will say:

1. The Voice of America is relatively unimportant in the Latin American countries because (a) of the friendly attitude concerning American programs and their availability for use on domestic radio stations; (b) the lack of short-wave receivers; (c) the availability of other very effective USIS operations.

2. I found evidences of very substantial trends toward increasing the use of American programs on domestic radio stations. In many instances, I found that time is being given free where program material is made available. In one striking instance I found that a member of the information staff is the best known and most popular commentator in the country and that his scripts are published regularly in a large number of newspapers the day following their presentation on the air. I was given assurance by several broadcasters, not only in Mexico and Brazil, but representing other countries as well, at the IAAB conference, that they would be glad to give additional free time for this purpose. In other instances, I found that time is being purchased for very reasonable rates, and at very good hours.

My impression is that the programs which are being prepared for distribution are improving rapidly in quality, particularly where the information officers are allowed to adapt and edit the material for local consumption.

3. I found one new public information device about which I have never heard before, namely, the commercial operation, in hundreds of plazas, of public-address or loud-speaker systems. These are operated by enterprising businessmen who sell time for advertising, just as broadcasting station operators do, and who broadcast their material to the crowds sitting and standing about in the public plazas of the various cities and towns of the two countries which I visited. This, of course, meets the need upon the part of many poor people who cannot afford to own receiving sets. The operators of these systems, I am assured, are especially hungry for recordings and will use practically everything which is given to them by our information service officers.

4. Perhaps the outstanding phase of the information service in the two countries which I visited are the libraries and the institutes of cultural relations. I found here the greatest evidence of that "sympatico" which expresses cordial relations and friendly cooperation between individuals and groups of people. In the first place, the word "culture" is one of good repute in the Latin-American countries. In seems not to have suffered as the word did in the United States, following our repudiation of the German "kultur" at the time of the First World War. In these institutes of cultural relations I found participation upon the part of outstanding public officials and professional people. I found that large numbers of students are participating in the classes given in these institutes; I found extensive use of library facilities and an atmosphere of research, study, and cultural cooperation which comes closer to that which one finds about an American university or college campus than any other analogy which I can find for comparative purposes.

5. Closely related to the work of the libraries and cultural institutes, is the dis-

tribution of books, magazines, and reprints by the information officers. This work is done on a more earthy and realistic basis than is to be found in the libraries and cultural institutes. Examples could be given of very effective use of such material directly combating Communist propaganda in these countries. Here we find direct competition with Russia. In every newsstand which I saw in the several cities which I visited—and there are a surprising number of such newsstands in every city—I found liberal quantities of Russian magazines. I inquired what sale there is for such magazines and upon what basis they are handled by the news vendors, but was not able to get a satisfactory answer. There is a good deal of speculation to the effect that Russia is supplying these magazines free of charge to the news vendors and that they are taking whatever profit they can get out of those which they sell.

I was told by the information officers in each of the cities which I visited that they work under several limitations with respect to the distribution of the printed material:

(a) The material which comes from New York and Washington while good in substance is, generally speaking, too scholarly, abstruse, or conditioned for American readers, to be immediately available for distribution among the people of other countries. It needs editing and adaptation; it needs the transposing of American colloquialisms and idioms into similar colloquialisms and idioms of the countries in which distribution is made.

(b) There is a serious shortage of newsprint and of printing facilities generally. This reflects a condition which prevails throughout these countries and is evidenced by the quality of paper and quality of printing which we see in the newspapers printed in these various countries. This is something to which very serious consideration should be given. If the condition could be improved, it would assist materially, not only in the carrying on of the information program, but also in securing the good will of the several countries in Latin America so far as their own needs are concerned. The suggestion was made to me by newspaper publishers and government officials, on several occasions, that the United States might well take the lead in improving the situation with respect to newsprint and printing facilities in the various Latin-American countries on an over-all basis. This is one of the points specifically, for which aid is hoped for from the United States.

One of the most effective information services in the countries which I visited are the mobile units and the motion pictures which are shown by the crews of these units throughout the country. Because of poor transportation and communication facilities, many people in these countries have little opportunity to receive information through normal channels. One government education official told me that communication and transportation facilities are so poor that they do not even pretend to carry on education through the normal channels of school buildings, etc., and that some method must be devised for the use of broadcasting, television, motion pictures, etc., even to take care of elementary education. The mobile units of our Information Service—as will readily be seen—are a godsend under these conditions and are warmly welcomed by the government officials, especially those who are concerned with education.

Several limitations apparently exist with respect to the operation of these units. Both in Mexico and in Brazil I was told that there were insufficient numbers of the units; I was told that there are insufficient personnel and money for running expenses; I was told in Brazil that several mobile units, fully equipped, have not been put into use for almost a year, but are still standing idle

because the small amount of money needed to put them into operation has not been made available.

Judging from the pictures which I was shown, of the faces of listeners, both children and adults, there can be little doubt of the effectiveness of these motion-picture presentations. I was particularly impressed by pictures of industrial workers—among whom communism is said to spread most readily—who were watching pictures showing the life of industrial workers in the United States and the operation of modern industrial plants.

7. As previously mentioned, I found splendid cooperation—and desirable cooperation—between our information officers and educational authorities. Let me elaborate this further and specifically at this point by saying that striking examples can be given of such cooperation in such fields as agriculture, horticulture, public health, and industrial operation.

I was impressed by the fact that we have already under way in these countries, through our United States Information Service, very substantial steps in carrying out the point 4 program.

8. I was very pleasantly surprised at the high quality of personnel which I found. Several men have come recently into the service—and one woman—from much more highly paid positions in private industry, on the theory that this is a time of emergency, of approaching war and that it was an opportunity for them to render substantial service in the public interest. There is a fine enthusiasm among these people, a good deal of the know-how of private industry and a willingness to put a great deal more into the operation of the program than could be measured in terms of a 9-to-5, civil-service performance.

9. I watched, particularly, to see how the work of the Information Service is being coordinated with the over-all work of the embassies and with the Foreign Service operation. Generally speaking, I found at the top level a friendly and understanding attitude. I found some skepticism concerning the enthusiasm of the information officers—which I should commend, both because of the enthusiasm on the one side and the careful supervision which results on the other—but I found, also, some apparent road blocks resulting from unwillingness of some Foreign Service officers to accept the Information Service. I was reminded of our early contacts with Foreign Service officers in the State Department, when our Commission first began to meet and when some of these men explained to us that the task which had been assigned to them by Public Law 402 violated the first principle of the Foreign Service, namely, in requiring them to tell the world what the policy of the United States is, when through all their period of training and service they had learned to tell no one anything about such policy.

Specifically, I found this attitude upon the part of some of the Foreign Service people, causing road blocks such as the following:

(a) The failure to put the mobile units into operation in Brazil;

(b) Requiring communications between the information officer in the embassy city to go through channels to his own information officers in the consulate cities, with the result that it sometimes takes weeks to get a message to the information officer and his reply back again.

This is, of course, a touchy subject and one which involves many considerations of policy. However, it is obvious that if the Information Service is to operate effectively, these road blocks must be worked out, one way or another. One specific example will illustrate how easy it is to cause trouble. It is approximately 1½ hours by airplane from Rio to Sao Paulo. Transportation is so poor between the cities, otherwise, that ordinary

mail can hardly be relied upon at all for communication between the two cities. Air mail takes as long as 1 week, sometimes. The United Press uses the telephone to connect its offices between Rio and Sao Paulo. Either a telephone service or a teletype service would make it possible to avoid severe "dating" with respect to material which is sent out from Rio to Sao Paulo. As neither a telephone service nor a teletype is permitted to the information officers, the answer is obvious.

The Clerk read as follows:

INTERNATIONAL INFORMATION AND EDUCATIONAL ACTIVITIES

For an additional amount for "International information and educational activities," for facilities for radio transmission and reception, and so forth, as authorized in the third proviso under this head in the Supplemental Appropriation Act, 1951, \$9,533,939, to remain available until expended; and the limitation contained in said proviso is increased from "\$41,288,000" to "\$50,821,939."

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let me assure the House that I do not qualify and do not profess to qualify as an expert concerning the ionosphere or any technical matters to which my distinguished friend, my able friend from Pennsylvania [Mr. Flood] referred. I do want to say as a member of the Committee on Appropriations and as chairman of this subcommittee thereof that I feel that when we hear testimony with regard to seven certain proposed new radio facilities which were asked for last July or August, and after hearing testimony again in regard thereto only 6 or 7 months later that their "expert" estimate of cost was out by 59 percent, it is time to look over this picture.

When we find a situation with regard to their putting out a slick magazine in the Russian language called "Amerika" which some years ago was presented to this committee as a proposition which would be self-liquidating if we furnished money for it to the extent of approximately \$550,000, when they represented that they could print 50,000 copies for distribution in Soviet Russia under an arrangement made previously by the distinguished gentleman Averell Harriman when he was American Ambassador to Moscow, that 50,000 copies of this magazine would be distributed and sold through a Soviet news agency; when we find that for a while this magazine program went along a hundred percent satisfactorily—and there let me say that I disagree with the distinguished gentleman from Georgia [Mr. Cox], Mr. George V. Allen, now our distinguished and capable Ambassador in Belgrade, Yugoslavia, was the finest administrator the Voice of America has had—when we find that for the next few years it was a self-liquidating proposition and that in fiscal year 1949 it cost the taxpayers only \$2,200 of funds from the Treasury to get 50,000 of these magazines, instruments of propaganda, circulated in Russia, we come to the point in the first part of the year 1950 where the Soviet Government reneged on their agreement with Mr. Harriman. Instead of circulating and selling the usual 50,000 copies of the magazine *Amerika* they cut down the circulation to 22,000, to 18,000. The re-

duction in circulation has now been continued for some 13 months.

What do you think the bright gentlemen in charge of this program did? Although they knew and must have known, because they were not getting the receipts, that more than half of the 50,000 copies were returned to our embassy in Moscow, they continued to print not 50,000 but 58,000 copies, raised it by 8,000 copies mind you, so that now over a year later, as the result of their never having cut down the production in the slightest but have increased it, this item has cost the taxpayers a half million dollars.

Is that the kind of management that we want in this program? I am sure you will agree with me it is not.

They came to this subcommittee last summer with the proposition that if we would appropriate to them about \$2,800,000 they could get 200,000 radios at \$15 apiece and by a certain means distribute them free of charge behind the iron curtain so that people in those countries could listen to the Voice of America. What happened to that over a period of seven, eight or more months. As yet, not a single radio has been distributed. What do you think they have agreed to pay for those \$15 radios? Why, when I agreed to go along on the proposition of \$15 radios for free distribution I felt I was going about as far as I could go, representing the people of my district; but, without reporting back to the Congress, without any notice to us whatever, they proceeded to contract for the radios not in America as they said they were going to do but in England and at a cost of \$35 apiece.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROONEY. Mr. Chairman, I shall gladly yield to the gentleman from Texas if he has a question.

Mr. LUCAS. I should like the gentleman to explain further the waste in reference to this program which he has elaborated upon in his report.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Georgia.

Mr. PRESTON. I think it should be said in fairness that the Bureau of the Budget imposed upon these people the necessity for spending \$15,000,000 out of counterpart funds, and that is the reason they had to go to England to have the radios manufactured. I can understand that, but, of course, I cannot understand the increase in price as the gentleman has said. However, that does explain why they had to go to England to get them manufactured.

Mr. ROONEY. With regard to the matter of counterpart funds, my distinguished and able friend will recall that in their presentation to the committee last summer they said they could use of the total amount requested the sum of \$15,000,000 in counterpart funds,

You will find instances in the testimony with regard to their having sent magazines to Indochina, where they wound up in the scrap heap, because they were not gotten together properly and were not fit for distribution.

In regard to the advisory commission, let me point out that two distinguished Members of the other body—and if I may be permitted, I will mention their names—the Senator from Rhode Island, Mr. GREEN, and the Senator from Michigan, Mr. FERGUSON, made a tour only a few months ago to the Near East and the Far East. They submitted a report to the Congress which is known as Senate Document No. 16. I would like to read to the House, if I may, just a few lines from that report in regard to the very activities with which we are now concerned:

Everywhere in the Far East and in the Near East we saw evidences of shrewd, insidious Communist propaganda. It was handled by the natives who were won over and in Moscow educated to communism. It exploited every complaint, every hope, every fear, and every condition in each country in order to induce the people to hate America and the West, and to embrace communism.

We found ample evidence that our Voice of America, our State Department, and American foreign policy have not been successful in meeting the Communist propaganda.

A basic recommendation is complete reorientation of the United States Information Service, and particularly the Voice of America. Without decreasing the effective scope of the information program, it is suggested that no less than the funds now expended for the program be directed to a decentralized program, which will function primarily through or in conjunction with the diplomatic missions within the various countries involved. This is designed to achieve maximum efficiency of effort and maximum results by pin pointing objectives.

I want to give you a further instance with regard to the mentality and management ability of the very people who would handle the \$97,500,000 if it were appropriated by this House. When the presentation was made to the committee last summer it was requested that a very substantial sum be allowed for anti-jamming activities. They came up here demanding money immediately and as an emergency to combat the Soviet jamming. We gave them every cent of the money. There was no contest at all about it here in the House. We now find instances where those very moneys appropriated to combat the jamming were used for other purposes not at all disclosed to the Congress, without any authority, without any knowledge of any of the Members of the committee concerned. To show you how vague in knowledge of most of the details of the running of this program is the head of it, I am going to read you certain of his testimony:

Mr. ROONEY. Now with regard to the money appropriated by the Congress and this committee for the anti-jamming operation but transferred by you for the cost of new studios—how much of that money has been expended?

Mr. HULTEN. The operation to date, \$200,850.

Mr. ROONEY. When was that money expended?

Mr. HULTEN. Down to between the end of December and the end of January.

Mr. ROONEY. 1950 and 1951?

Mr. HULTEN. That is right.

Mr. ROONEY. During that time, except for the Christmas holidays, the Congress was in session. Is that right?

Mr. HULTEN. I could not say the exact dates.

Mr. ROONEY. Well, I will tell you, it was.

Where were those studios installed?

Mr. HULTEN. This was planning for the studios in the new building and the development of plans—

Mr. ROONEY. The \$200,850 you are talking about is only planning money?

Mr. HULTEN. We are talking of money that has gone into architectural development lines for new electronic equipment and for a certain number of temporary studios required to meet the new program.

Mr. ROONEY. How much for temporary studios and how much for planning?

Mr. HULTEN. I would have to break that down for you.

Mr. ROONEY. Will you do that, please. Do you have that information here?

Mr. HULTEN. No.

Mr. ROONEY. Can you approximate it?

Mr. HULTEN. No; I cannot.

Mr. ROONEY. Do you have any idea?

Mr. HULTEN. My report does not give that.

Mr. ROONEY. Do you not have an idea of how much money you spent for temporary studios?

Mr. HULTEN. No; I do not.

Mr. ROONEY. You do not know whether it was \$10,000 or \$50,000?

Mr. HULTEN. No; I do not.

Mr. ROONEY. Or perhaps \$100,000?

Mr. HULTEN. I do not know the figure; I could not even guess.

Now, that is the general manager of the Voice of America, and we were discussing a very sizable amount of money.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Mississippi.

Mr. COLMER. The gentleman referred to the distribution of the magazine America, and that they continued to print more even when they were not able to circulate the ones they had. I know from personal knowledge that as long as 6 years ago, when my committee was in Moscow, that they were not able to distribute them then. Now I would be interested to know, and I think the House would be interested to know, the facts.

Mr. ROONEY. I am not sure that that is correct, I will say to the gentleman from Mississippi, because I can definitely recall that in fiscal year 1949 it only cost the taxpayers \$2,200 to print and distribute 50,000 copies.

Mr. COLMER. I am not talking about that. They were not able to distribute what they did have when we were over there.

Mr. ROONEY. If I remember correctly, the gentleman and his committee

went to Moscow right after the cessation of hostilities in Europe.

Mr. COLMER. That is correct.

Mr. ROONEY. That may have been previous to this period.

Mr. COLMER. All I am interested in knowing, and I think the House would be interested to know it, is what explanation they gave for printing these additional copies after they found out they could not distribute them.

Mr. ROONEY. None whatever, other than that they were hoping that Joe Stalin would change his mind and take the 58,000 copies.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Pennsylvania.

Mr. FLOOD. I should like to observe that in the report that I read to the House by a member of this Commission designated by the conference, investigating the Information Service and the Voice of America in South America, a report filed with the conference this week, that the Russians, whose system the gentleman has been praising at length, send to South America all the copies of all the magazines that anybody wants, free, and do not quibble about a couple of rubles here and there, these great propagandists.

Mr. ROONEY. This is half a million American dollars. I will not quibble about a couple of million dollars here and there if I know that I am going to get a dollar's worth for a dollar. That is my position.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. May I say to the gentleman that any reasonable man, after listening to the gentleman, can well see just why there is a lack of confidence in this House today in the Voice of America operations.

Mr. ROONEY. The following is the editorial I referred to earlier, from the Saturday Evening Post of April 7, 1951:

(By J. Anthony Marcus)

Before the echoes of the last salvos of World War II had died down, the Soviet ideological-psychological war against the free world was in full swing. Long before that, the Stalin fifth columns everywhere had been alerted to begin the offensive against existing governments and hasten the sovietization of the world. Since the war's end, the Kremlin's vicious propaganda of lies and falsifications had been marching from one triumph to another.

Belatedly our Government has awakened to the perils of the hour. But we have yet to realize that until we and our allies are fully armed, the ideological-psychological front is our most effective weapon to combat Soviet aggression. What we do or fail to do on that front will determine whether or not a catastrophic third world war will decimate populations and devastate civilization.

How are we meeting this challenge? The losses sustained since 1945, with nation after nation driven behind the iron curtain, supplies the answer. The master minds of our counteroffensive are continually urging the Congress to appropriate more and more hundreds of millions of dollars to sell America to the world. No greater fallacy could be conceived. America sold itself to the world long ago. With no costly "sell

America" campaigns to urge them, millions of men and women from all corners of the globe have come streaming to our shores. I am one of these arrivals. In fact, so well did I like life in America that, despite the initial difficulties in a strange land without funds and without knowing the language, in less than 4 years I brought over my widowed mother and six brothers and sisters, paying their passage with my own savings. There was no Voice of America to tell me about the good life in America or what it stood for.

In those days we did not need State Department libraries in our homelands, stacked with books and periodicals, overstaffed with people eager to tell foreigners how pure were the motives and how noble the intentions of the American people. We did not need expensive official publications to illustrate the way people live in North Carolina or dash along the highways in expensive cars. We learned about America from the millions of letters which arrived from friends and relatives in the United States. We learned of the real America through the billions of dollars that flowed in from relatives in the U. S. A.—people who only a short time before were themselves penniless in their native countries.

Untold peoples in the countries behind the iron curtain are right now receiving food, clothing, and medicine parcels from the land which Stalin tells them to hate. Every foreign-language newspaper in the United States carries advertisements offering to guarantee the delivery of such parcels to relatives behind the iron curtain, and the irony of it is that the Soviet satellites levy high duties on the goods which these kind-hearted American relatives send back home.

Since the First World War we have poured tens of billions of dollars into those countries; we have shared generously with people in every land and clime, including Stalin's Russia, without ever asking anything in return. The peoples of the world know this far better than some of the officials in the State Department think they do.

America has sold itself to the world so well, in fact, that were we to let down our immigration bars and were Stalin to raise the iron curtain, tens of millions of people from every corner of the globe, and more especially from the sovietized countries, would come rushing to our shores on foot, in rowboats, in sailing vessels, by any and all means of transportation available, just to tread the sacred soil of America, sacred because of our free institutions and high standard of living.

To arrest the spread of the red plague and recruit crusaders in the cause of freedom, we should talk less about America and more about the miserable life behind the iron curtain. Let the hundreds of thousands of living witnesses of Soviet barbarism, the Russian men and women who have since escaped from Stalin's vast concentration camp, tell their true story. Let the former inmates of Stalin's slave-labor camps tell of the millions who have already perished and the millions who are still being exploited and starved to make room for new victims now on the way. Let them tell of the fate of the hundreds of thousands of Russian war prisoners and former slave workers in Germany upon their return to Soviet territory after 1945, and what has happened to their thousands of children. If this story is told, it will start a crusade against communism everywhere and help bring about a revolution in Russia which alone can prevent a third world war.

Mr. PRICE. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TWO LETTERS FROM KOREA

Mr. PRICE. Mr. Chairman, I want to speak for a few minutes today about two recent insertions in the Appendix of the CONGRESSIONAL RECORD. I am alarmed about the origin of these insertions and about the fact that they have appeared in the RECORD. I have asked that the Army make an investigation for me concerning the circumstances surrounding the origin of the material in them.

The two insertions to which I refer appear in the RECORD on March 13, 1951, page A1380, and April 5, 1951, page A1803. The first insertion was by the gentleman from Michigan [Mr. BENNETT] and the second by the gentleman from Indiana [Mr. CRUMPACKER].

Both insertions purport to contain letters from members of our Armed Forces in Korea. We would probably call them gripe letters, except that these letters contain vicious attacks on our armed services and on the armed services of our allies in the battle against communism.

Most important, although these letters are supposedly from two members of our Armed Forces, written to two different newspapers in different sections of our country, they contain exactly the same charges, using identical words and phrases. It appears that there has obviously been collusion in the writing of these letters. Just as certainly it appears they are a part of some kind of planned campaign against our struggle for freedom.

We must find out who is behind this campaign. Is this Russian-inspired propaganda with our boys the unwitting tools of Communist propagandists in Korea? Or is some other group using our fighting men to undermine our military effort and influence our homefront support of the United Nations effort? I hope that the Army, in the investigation which I have asked, will be able to answer these questions.

Any military effort, in its emphasis on victory, is bound to develop snarls and even injustices. We hear about these problems from the men in the field. The Congressman's mail bag contains many of these letters. We want to do everything to see that any injustices are righted.

This does not mean, however, that we must fall prey to organized campaigns such as the one we seem to have found here. We must be warned that those who would deny us victory in Korea are doing everything within their power to defeat us. A great deal of their effort is directed at the morale of our troops in the field and our people on the home front. The Committee on Un-American Activities of this House has just published an excellent report on the various Communist peace offensives. This report reveals that an extensive part of the Communist war of words is directed against the United Nations and our effort in Korea. Much of the Communist propaganda has a similar ring to the

material in the two letters inserted in the RECORD.

Early this year one of my constituents sent me a dispatch from a St. Louis newspaper which stated that during the evacuation of Seoul some of our enlisted men and officers were refused space on an evacuation airplane while a general used the plane to haul out his personal bathtub. I immediately had the Army investigate this story. They found out that it was a complete fabrication. At that time I pointed out that this vicious rumor appeared to be Russian inspired.

Let us beware that we do not become a party to any word-war against our military effort. We owe it to ourselves and to our country and our boys fighting in the field to make sure exactly what is behind every word we spread. We must not let partisanship or personal feelings or any other consideration blind us as to exactly what the results of our actions may be.

I am sure that the members of both sides of the House will join in making doubly sure that the CONGRESSIONAL RECORD does not become the means to carry on a propaganda barrage against the free world in its battle for peace.

The Clerk read as follows:

FOREST SERVICE

FOREST DEVELOPMENT ROADS AND TRAILS

For an additional amount for "Forest development roads and trails," \$3,000,000, to remain available until expended.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do not intend to take very many minutes. I realize the hour is growing late. I, too, would join with those who have preceded me in congratulating the committee on what apparently is a good job well done. I happen to be speaking at this moment relative to a domestic situation rather than a foreign issue, which seemingly has taken all of our time this afternoon. I refer primarily to chapter VI with reference to the Department of Agriculture.

I wish to call your attention to the report of the committee on page 19. I do this, not for the purpose of offering an amendment at this time, but for the sole purpose of calling your attention to the fact that apparently a subcommittee has endeavored to foreclose any further consideration of a matter which is very important in the Rocky Mountain area. I read from the second paragraph:

The committee does not feel that additional appropriations for control of Englemann spruce bark beetle are justified in view of the present admission of the high cost of the program, particularly in relation to the value of the timber involved, and because it is doubtful that the project can ever be successfully completed. It is of the opinion that no further work should be done on this project.

I read now the following paragraph, which calls attention to a similar project in another part of the country:

The committee agrees with continuation of the spruce budworm project in view of the high timber values involved and the

good prospects for successful completion at a reasonable cost and concurs in the proposal to release funds from the contingency fund.

Mr. Chairman, the proposal which is made relative to the spruce bark beetle can only have been made because of a lack of knowledge of the great resource values in the Colorado Rockies of this particular natural resource.

Mr. Chairman, the committee report not merely disapproves the \$345,000 for insect control in the national forests of Colorado during the balance of this fiscal year but it also rules that this work must be completely discontinued for the future.

That proposal can only have been made because of lack of knowledge of the great resource values in the Colorado Rockies. I know that country very well. It is my home. Others of you who have been there will recall the heavily forested and beautiful mountains that are endangered by this infestation. Few of you, however, can realize that the infestation endangers a strip of forested land 300 miles long, extending from northern New Mexico through the full length of Colorado and into southern Wyoming. Some of the areas are intermittent, but mainly it is a long, continuous area, including 2,000,000 acres in spruce timber in Colorado alone.

Congress has been wise over the years in providing needed funds for forest fires. We would not tolerate for a moment a forest fire extending over any such great area as this. Insects will devastate these forested lands just as badly as do forest fires. We just must not allow that devastation to continue if it is humanly possible for us to stop it.

As pointed out last year when funds were provided to start this work, three very great values are endangered:

First. Sixteen billion board feet of timber value at \$100,000,000. As has been pointed out repeatedly, much of the strength of this Nation is in the strength of its natural resources. This is one big section of those resources which we can save by continuing the work started last year.

Second. The second great value endangered is the watersheds of the upper Colorado and Platte Rivers.

Third. The third great value is the beauty of the Rocky Mountain National Park and of the Colorado Rockies generally. As many of you know, this country provides the only reasonably accessible, cool mountain retreat to millions of people in the adjacent Plains States. It is a highly valued scenic spot to people from all parts of the Nation. As previously urged, this country just must not be allowed to become a vast graveyard of whitened gray snags.

Mr. Chairman, I wish to call your attention to the size of the area involved. This area is approximately one-fourteenth of the total area of the district which I represent. The area is three times the size of the entire State of Rhode Island, or almost twice the size of the State of Delaware, and a little over one-half the entire area of the State of Connecticut. This is not a question related only to the State of Colorado. One-

half of the lands in my district belong to the Federal Government.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. ROGERS of Colorado. Can the gentleman give us some estimate of the value of the spruce timbers that have already been killed?

Mr. ASPINALL. The estimated value of the timber that has already been killed is approximately \$16,000,000.

Mr. ROGERS of Colorado. And if this program is not continued, what will be the result? And by the way, it has been carried out for a number of years, has it not?

Mr. ASPINALL. No, this last year was the only time we have had this program.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ROGERS of Colorado. Will you tell us what the loss will be to the timber if this program is not carried out?

Mr. ASPINALL. The total loss will be in the neighborhood of \$100,000,000, and if the program is not carried on for the next 5 years the loss will be \$400,000,000.

Mr. ROGERS of Colorado. What will be the effect on the watershed?

Mr. ASPINALL. The watershed will be destroyed to a great extent. May I say here that 500,000 acres of land have already been denuded of valuable timber resources. That much watershed is being destroyed at the present time. That is the watershed which carries water down to California and the lower basin States, through the Colorado River. If this program against the spruce bark beetle infestation is not continued there will be approximately 2,000,000 acres of land, which is an area of land, as I said, larger than many of our sister States in the East, that will be destroyed of its valuable watersheds. I am not offering an amendment this afternoon, but I do wish the RECORD to show that there is another side to this question.

I desire to include additional information pertinent to the issues involved:

WORK ACCOMPLISHED TO DATE

During the treating season of 1950, 784,072 trees were successfully treated. The average cost per tree treated was \$2.25 as compared to an estimate of \$4 per tree. This project was financed by a deficiency appropriation of \$2,000,000 which was enacted on June 27, 1950. It was possible to conduct the treating program from approximately July 1 until the latter part of September when adverse weather conditions made further work inadvisable.

The deficiency appropriation is available for expenditure until June 30, 1951. There is approximately \$150,000 in this appropriation available to get work started this spring. Work is now under way in the Denver office to have camps ready for early installation and to conduct other preparatory measures necessary to get the earliest practicable start when weather conditions become favor-

able. A thorough survey of the insect populations was made last fall, and additional surveys are now under way to determine the extent of winter-killed beetles from the abnormally low temperatures this winter and from woodpecker activities.

The work in 1950 conclusively demonstrates that the spruce bark beetle can be successfully treated in large numbers under the field conditions which exist in the areas presently infested. Costs per treated tree were much lower than had been anticipated.

The survey in the fall of 1950 indicated there are approximately 1,500,000 infested trees which were attacked in 1950 exclusive of the South Rabbit Ears area. This latter area is not scheduled for treatment because mass migrations out of it are not anticipated. In addition there are approximately 500,000 infested trees attacked in 1949 which it was not possible to treat last year.

PLAN OF WORK FOR 1951

It is proposed to schedule \$3,895,000 for treatment of 1,643,000 trees in the season of 1951. It is proposed to finance this work in the following manner:

From the deficiency appropriation of June 27, 1950-----	\$150,000
From supplemental appropriation (H. Doc. No. 67 of Mar. 1, 1951, p. 9)-----	345,000
From regular fiscal year 1952 pest control appropriation (H. Doc. No. 66 of Mar. 1, 1951, p. 5)-----	3,400,000
Total-----	3,895,000

House Document No. 67 of March 1, 1951—page 9—contains a supplemental estimate of \$370,000 for forest-pest control. Of this amount \$345,000 was included for the Colorado-spruce bark-beetle project for the period ending June 30, 1951.

House Document No. 66 of March 1, 1951—page 5—contains a budget amendment for the fiscal year 1952 for forest-pest control. The amount provided for the Colorado-spruce bark-beetle project in the budget amendment is \$3,750,000 for the period July 1, 1951, to June 30, 1952. The division of the cost by seasons is \$3,400,000 for the period July 1 to December 31, 1951, and \$350,000 for the spring season of January 1 to June 30, 1952.

The House Appropriations Committee report issued April 6 on the third deficiency appropriation fails to include provision for the \$345,000 requested in House Document No. 67. A copy of the committee's comments on the Colorado-spruce bark-beetle project is attached.

ESTIMATE FOR TOTAL PROJECT

In the season of 1951 it is proposed to treat 1,643,000 trees at a cost of \$3,895,000. It is expected that it will be necessary to treat 1,500,000 trees in the season of 1952 at a cost of \$3,600,000. In the season of 1953 to 1956, inclusive, it will probably be necessary to treat an additional 600,000 trees at a cost of around \$1,500,000 in order to complete control. The total number of trees which remain to be treated before control is obtained is, therefore, approximately 3,750,000 at

an estimated future cost of \$9,000,000. The estimated cost of controlling this epidemic, including work done in the season of 1950, is approximately \$11,000,000 for the treatment of about 4,500,000 trees.

PULP PLANT DEVELOPMENT

A certificate of necessity to the Columbine Development Co. was issued on March 31 for the construction of 225-ton daily capacity pulp mill to utilize insect-killed spruce timber. This company holds a preliminary award for 4,565,000 cords of dead and green pulp timber in the national forests of the western slope of Colorado. The contract price for this timber is \$3.10 per cord, the equivalent of \$6.20 per thousand board feet.

Permanent operation of a pulp mill in western Colorado is dependent on the successful control of this spruce bark beetle epidemic. Otherwise the 16,000,000,000 feet of spruce timber in Colorado may all be killed within the next few years. There would be no possibility to grow a new crop to size ready for harvesting during the period in which salvage operations of dead timber would be feasible. I am advised that the Department of Commerce has today approved the request of the Columbine Development Co. for a defense production loan in a size sufficient to guarantee the immediate and final construction of the paper pulp mill and that revenues will in a short time start coming into the Federal Treasury from the sale of timber to such mill.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact, from our study of this particular spruce proposition, that if the Federal Government does not throw in approximately \$20,000,000 to build a plant, that that particular stretch of timber which the gentleman from Colorado referred to is perfectly worthless?

Mr. WHITTEN. That is true. I think I can cover it as far as the reasons for the action of the committee are concerned.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Just let me make my statement and then I will be glad to yield.

I wish to say that we have a subcommittee that cannot know the answers to all these problems and does not profess to. We do try to listen to the evidence and try to determine on a sound basis what we shall recommend to the Congress. I hold the two gentlemen from Colorado in the highest regard, and if this matter was a matter of accommodating friends and able Congressmen, certainly the committee would have approved this, because they are deserving of that kind of consideration, if you could operate that way. But the gentleman described to you that the size of this area is as big as several States. The work that was called for is to go over that

mountainous territory and treat each individual tree from top to bottom with a type of fluid which would kill the bark beetle. This spruce budworm program in other States which is provided for in this bill is treated by spraying from airplanes. In the other case the spruce timber has a market value, and millions and millions of dollars worth of it has been and is being sold. In addition, the States put up half the cost. The total cost there to the Federal Government is only about \$2,000,000, the amount we spent in Colorado last year without substantial returns.

Another thing in regard to the spruce budworm proposition, the job will be finished in another year or so. But let me show you the facts about this bark beetle in Colorado. Last year a request came in to let the Forestry Department go into Colorado to destroy the bark beetles. They wanted to go into this area and treat these individual trees in this area as big as several States. They estimated that they would have to treat 725,000 trees. They estimated that the value of the timber would be some \$30,000,000. I did not think the Department had any sound basis for their estimate, either on costs or value of the timber. I managed to get the request for an appropriation defeated twice, but in the other body they got \$2,000,000. I was in another committee when the item came up in conference and was approved. The Forestry Department got the money. I still wondered as to whether it was a sound proposition, so I asked for a special investigation. We found that the value of all the spruce timber that had been sold in Colorado for 10 years was only \$706,000. The investigators stated that it was a 100-percent gamble. This was last year. They stated that they did not know whether there would be any real value to the timber. This year what do we find as to the correctness of our investigators report? The Forestry Department says, "We treated 800,000 trees instead of 700,000, and instead of being through, we find we have four or five million more trees to treat." Now they say, the cost is not two or three million dollars as they told us last year but they now say twelve or thirteen millions of dollars. But, they say, the value of the timber is much greater than they thought last year. Where are you going to sell the timber?

In 10 years the whole State sold only \$706,000 of spruce timber. Oh, they say, "We are going to sell it to a paper plant." Who is going to put up the plant? We hope to get it financed through the National Defense Agency who would put up the cost, and if they would put up the cost and pay so much a year and use it in paper then the value would be so much. But you cannot get them to point out anything sound; it is all speculative.

The Department admits this year that our investigators were right last year. As I say, I defeated this proposition twice, but it went through the other body and through conference when I was in another meeting. If there is anything I could do in the way of accommodating my fellow colleagues I would like to do it, but last year I opposed this deal because it was speculative and a pure gamble. I

oppose it now because we know it is an unsound proposition. I can assure you that had I been present at the conference last year we might have saved \$2,000,000 spent last year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that the State of Colorado has put up scarcely one thin dime of this money?

Mr. WHITTEN. I think you can strike out the word "scarcely".

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. ASPINALL. I merely wish to state that the certificate of necessity has been granted to the paper and pulp mill to which the gentleman from Mississippi has referred; that the Department of Commerce has approved a loan on a tax amortization basis for this program; and that in my opinion, and I think it will be shown to you, within a very few months this paper mill of which the gentleman from Mississippi speaks will be a reality.

Mr. WHITTEN. If it should be set up on a sound basis, then, of course, I would congratulate the gentleman. All I want to do is to give the basis of our action, for we try to be fair. In this instance we have the strongest kind of proof that this was not and is not a sound investment of ten or twelve millions of dollars.

The Clerk read as follows:

COMMODITY CREDIT CORPORATION

The limitation under this head in the Department of Agriculture Appropriation Act, 1951, on the amount available for administrative expenses of the Corporation, is increased from "\$16,350,000" to "\$19,100,000."

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 11, line 23, after the word "to" strike out "\$19,100,000" and insert "\$18,350,000."

Mr. HESELTON. Mr. Chairman, I realize that this proposed amendment to strike \$750,000 from this item may seem to some relatively unimportant, yet I think it is a matter of definite importance. I have offered this amendment for the purpose of focusing attention upon this particular operation in our Government and to enable us to save some money in a clearly nondefense item.

The committee is to be commended for doing what it did. It was asked to authorize \$3,850,000 for this item. In the committee report on page 20 there is this language:

While the committee recognizes the need for some additional funds for this purpose, it does not feel that it can recommend more than \$2,750,000—

And this is important—

In view of the decreased demands which will be made upon the Corporation in the future due to the change from surpluses to shortages in many agricultural commodities.

I have read the hearings carefully and I find very little in the hearings that would justify any specific figure. I do not know whether it should be \$2,750,000, \$2,000,000, \$1,500,000, or \$1,000,000, or some other figure, particularly in view

of the testimony that was provided by way of a supplementary report from the Secretary of Agriculture in reply to an inquiry of the gentleman from Rhode Island [Mr. FOGARTY], as to the realized loss of this program. The realized loss for fiscal 1949 was given at \$254,761,994.

I try to follow the reports of the Commodity Credit Corporation as frequently as they are issued. The last one I think made available to the Congress was for the month of January. One very significant fact made clear from that report on milk, butter, cheese, dried eggs, is that for the total of 7 months of the current fiscal year ending January 31, the total loss in these four commodities was \$112,670,971.37. If it is running at that rate on only four commodities, then I submit the time has come now when we are entitled to know what the basic facts are with reference to the operation of this program of purchasing storable and edible food commodities, laying them to one side, making them unavailable to the people of this country or anywhere else, and eventually selling them at substantial losses.

I submit it is time for us to take a good look at that program. I know that is not the first responsibility of the Committee on Appropriations, but sooner or later I believe the public is going to demand that this be done.

Next, I have read items in the newspapers recently, and I think many of you have, indicating that in connection with butter and dried eggs, and probably in connection with dried milk also, practically all of the existing stores have been disposed of. If that is true, then, certainly, the cost of operation ought to decrease and not increase.

Now, finally, within a week or 10 days it has been reported that the Department is now engaged in buying up more butter. Consequently, I submit to the chairman of the subcommittee and to the members of this committee that a reduction of \$750,000, leaving them something in the neighborhood of \$2,000,000, is within the realm of fair dealing with this particular agency, and they ought to come up before this bill passes through the legislative processes with some facts we can all understand so that Congress can take intelligent action which can be defended. It should not be forced to appropriate money in the dark.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts.

Mr. WHITTEN. Mr. Chairman, making appropriations or recommending appropriations is not an exact science. Our committee investigated the Commodity Credit Corporation and its workload and the amount in the bill represents our best judgment.

The request of our committee—and after all this is not an appropriated item, but is a limitation as to how much money the Commodity Credit Corporation may spend in meeting administrative needs—was \$3,850,000. The Commodity Credit Corporation has been operating on a deficit, you might say, awaiting the ac-

tion of this committee for some months. We reduced the request by \$1,100,000. Twice as many people will have to be removed from their work with the Corporation as would have been necessary if action had been taken some time ago.

The Commodity Credit Corporation handles millions of dollars' worth of commodities; in fact, billions of dollars' worth. The Corporation has hundreds of thousands of contracts for such commodities with farmers all over the United States. It is true that the CCC has moved out in the last 8 or 10 months substantially all of these commodities, but when they do that the CCC has the administrative job of auditing the records on each such contract and accounting to the individual farmer on his commodities. This job of applying to each commodity the storage, freight, handling charges, damages, if any, is a tremendous task especially where some commodities have been held for years. Our farmers know their commodities have moved out and they are entitled to and will demand an accounting.

The Commodity Credit Corporation has to do this work. It will have to pay for it. You can let them settle with the farmers by July 1 or you can adopt this amendment and delay such payment.

We can either give them adequate funds to do this job now and let them catch up by the 1st of July or they will have to carry this workload over into the next fiscal year when we will have to provide more money and more employees than planned. If we do that, you know how much harder job it is to get the employees removed from the rolls before the end of the next fiscal year. I can assure you, as chairman of the Subcommittee on Agricultural Appropriations, that a substantial reduction will be recommended by our committee for the next fiscal year; but we can justify that better if we give them adequate funds to clear out this backlog between now and the first of the year.

I do not like to claim too much credit for myself or for my subcommittee, but if you will check the Department of Agriculture you will find that for this year the recommended amount in the bill for next year will be less than half the appropriation for that Department in 1940, or before the war. If you do not believe we are holding down expenditures, compare that with the record of any other department of Government. I think it would be false economy to restrict the Commodity Credit Corporation from auditing and settling this backlog of contracts. After all, it is not the Commodity Credit Corporation you penalize with this amendment, but the farmers in every district in the Nation. You needlessly drag out your settlement with them at a time when we are pleading for increased production.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. HESELTON. Will the gentleman advise the House as to how many additional employees would be covered in by this recommendation for the additional \$2,750,000?

Mr. WHITTEN. The Commodity Credit Corporation would have to let several thousand employees go if no additional funds were made available. If this limitation is lifted, as we recommend, they will have to cut off several hundred anyway. They will have to cut off employees either way. This way they should be able to keep about half of them until the 1st of July to get rid of this backlog. If we do not do that, they will have to let them go immediately, but they will have this workload go into the next fiscal year with resulting increased expenditures then.

Mr. HESELTON. Specifically, half of what would that be; how many employees?

Mr. WHITTEN. Actual employment on December 31, 1950, was 3,879.3 man-months that are involved in the present measure. I have not figured it on the basis the gentleman mentions, but we cut the budget request from \$3,850,000 to \$2,750,000, a cut of \$1,100,000. The personnel will be cut in line with the reduction that we made in the bill. Now, I want to say to the gentleman the work must be done. It must be done by people. Such people as do the work must be paid. We can do the work more expeditiously if we provide the funds recommended by the committee, and I think we will save money as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 55, noes 48.

Mr. WHITTEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHITTEN and Mr. HESELTON.

The Committee again divided; and the tellers reported that there were—ayes 69, noes 57.

So the amendment was agreed to.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, had come to no resolution thereon.

THE LATE BOB JOHNSON

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, it is with deepest regret that I apprise the membership of the House of the death of our loyal friend and devoted employee, Bob Johnson, who died yesterday.

Bob was never married. He had no immediate relatives. The men of the House were "his family." I am certain that all of us will learn with profound regret of the passing of this faithful retainer.

SPECIAL ORDER VACATED

Mr. WILLIAMS of Mississippi. Mr. Speaker, I ask unanimous consent that the special order granted me for this afternoon be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CRITICISM BY GREAT BRITAIN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. If there is no objection on the part of the gentlemen who have special orders for this afternoon, and if there is no objection otherwise, the gentleman may proceed.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have been very much shocked at the action of Great Britain in criticizing General MacArthur for stating his views, or criticizing anyone in our country. Great Britain, least of all, is in a position to criticize. She has only a token number of men in Korea and she is trying to take them out of Korea. More than that, she has persistently shipped materials and munitions of war to Russia, and the Red countries that are attacking and killing our men. It is high time Great Britain stopped weakening the United States and also stopped attacking our great general.

Is it good faith to accept Marshall-plan aid from the United States and then transship it to Communist China in order to create good will between Great Britain and Communist China?

The time has come that if the war in Korea is successfully terminated all the members of the United Nations including Great Britain should carry their share of the load. A war cannot be won with talk. It requires brave men and a courageous nation behind them. It is my view that Great Britain should do less talking and more acting. The British Government through its Ambassador to Washington has shown extremely bad taste in making any representation, except a praiseworthy one, of the greatest general of his time, Douglas MacArthur.

SPECIAL ORDER GRANTED

Mr. DENNY asked and was given permission to address the House for 3 minutes today, following any special orders heretofore granted, and to revise and extend his remarks.

PAUL DILLON

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, some remarks were made on the floor of the House concerning St. Louis and Paul Dillon. Being from St. Louis, I feel it proper that I should make some additional remarks. I regret to say that most of the facts brought out by those people were true. Furthermore, Mr. Dillon happens to have been a campaign manager for Mr. Truman in St. Louis. He also is reported in the St. Louis

Globe-Democrat on February 18, 1948, to have made a social call on Mr. and Mrs. Truman in the White House.

INTER-AMERICAN UNITY AND LA PRENSA

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. The Chair will put the gentleman's request at this time, but then the Chair is going to recognize the other gentlemen who have special orders.

Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, on Saturday the United States and the representatives of the other 158,000,000 Americans in Latin America signed the Declaration of Washington dealing with the security of the Western Hemisphere and hemisphere solidarity in the face of the Communist threat against that security.

Let us hope that the people of all the Americas and of Argentina will understand that inter-American unity requires also unity for the principles of free elections, free speech, freedom of the press and freedom of thought and religion and that the strength of the freemen who are struggling for freedom's voice will be fortified by this act of inter-American unity. The suppression by government action—open or covert—of the publication of Dr. Gainza Paz' great, independent newspaper, La Prensa, in Buenos Aires makes this injunction necessary.

We have learned bitter lessons from the dictatorships of Hitler and Mussolini and from the current dictatorship of Stalin's Politburo in the U. S. S. R. and its satellites that "means" are vitally important—it applies to dictatorships wherever located—for under cover of a stated objective of peace and freedom these dictatorships have been used, we have found, ruthlessly to suppress freedom and freemen for decades. "Remember La Prensa!" may yet turn out to be a rallying cry for freedom in this hemisphere.

REFERENCES TO THE PRESIDENT OF THE UNITED STATES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I just heard some remarks made by the gentleman from Missouri about a man by the name of Dillon. Then the President's name was brought in, and then a visit to the President and Mrs. Truman by this man, and then period. I wonder what the gentleman had in mind. To me it is loathsome and low and mean and contemptible for anybody—I am not saying that the gentleman did it—but for anybody to make a personal attack directly or indirectly on any President of the United States. I think the gentleman from Missouri owes an obligation to himself as one who purports to be an honorable gentleman to frankly state what he means, rather than by innuendo.

EXTENSION OF REMARKS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that at that part of the RECORD where section 3 of the supplemental appropriation bill was under consideration, and where I made some remarks under the 5-minute rule, I may extend my remarks and insert certain newspaper articles, editorials, and a report dealing with the same subject.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. KENNEDY] is recognized for 15 minutes.

ITALIAN PEACE TREATY

Mr. KENNEDY. Mr. Speaker, the United States should renounce the 1947 Italian Peace Treaty. It has been harshly restrictive, unfair, and dangerous for Italy since its inception; it is a harshly restrictive, an unfair, and a dangerous treaty today for the whole free world. Particularly is it dangerous today to our attempts to develop military strength for the defense of the West against the threat of Soviet land power.

It is today this country's first aim to build up, as quickly and as effectively as possible, a combined Western European military defense system sufficiently powerful to deter the Russians from resorting to force in that area.

Each of the 11 European member nations of the North Atlantic Pact is a link in this chain of resistance. The importance of France and Great Britain is obvious. But it is well to direct fresh attention to the immense importance of Italy. Consider if Italy was under the military domination of the Russians and the Italian Communist Party were in positions of control in Rome instead of Signor de Gasperi and his Christian Democrat, Socialist, and Republican Ministers. The security of Europe would be undermined, the position of Greece and Turkey would be endangered, and the West's control of the Mediterranean and of North Africa would be neutralized.

Fortunately, this is not now the case. But both inside and outside Italy the defenders of freedom still need to do all in their power to support and sustain the present democratic Government in Rome.

The people of Italy, themselves, who have brought their country under De Gasperi's leadership so well through the difficult postwar days, need to know better and to understand the growing strength of that West to which their destiny is now bound. Equally, their own position and problems need to be known and understood and appreciated in the rest of the western world, both for the contribution which they are making and will make to the common security of the North Atlantic Treaty members.

What of Italy's contribution to the common security? How strong a partner can we expect her to be in the critical Western European rearmament program?

Nine articles of the 1947 peace treaty can best answer those questions:

First. Article 47, permanent Italian fortification and military installations along the French-Italian border and their armaments shall be destroyed or removed.

Second. Article 48, permanent Italian fortifications and military installations along the Italian-Yugoslav frontier shall be destroyed or removed.

The following construction to the west of the Italo-Yugoslav frontier is prohibited: Permanent fortifications where weapons capable of firing into Yugoslav territory or territorial waters can be employed; permanent military installations capable of being used to conduct or direct fire into Yugoslav territory or territorial waters.

In a coastal area 15 kilometers deep, stretching from the frontier between Italy and the free territory of Trieste to the latitude of 44° 50' north, and in the islands adjacent to this coast, Italy shall not establish any new, nor expand any existing, naval bases or permanent naval installations.

Third. Article 51, Italy shall not possess, construct, or experiment with, one, any atomic weapon; two, any self-propelled or guided missiles or apparatus connected with their discharge; three, any guns with a range of over 30 kilometers; four, sea mines; or, five, torpedoes.

Fourth. Article 54, total number of heavy and medium tanks shall not exceed 200.

Fifth. Article 58, no battleship shall be constructed, acquired, or replaced by Italy. No aircraft carrier, submarine, or other submersible craft, motor torpedo boats, or specialized types of assault craft shall be constructed, acquired, employed, or experimented with by Italy.

Total standard displacement of the war vessels, other than battleships of the Italian Navy, shall not exceed 67,500 tons.

Sixth. Article 60, total personnel of the Italian Navy shall not exceed 25,000 officers and men.

Seventh. Article 61, the Italian Army, including the frontier guards, shall be limited to a force of 185,000 combat, service, and overhead personnel, and 65,000 carabinieri.

Eighth. Article 64, the Italian Air Force shall be limited to a force of 200 fighter and reconnaissance aircraft, and 150 transport, air-sea rescue, training, and liaison aircraft, including reserve aircraft.

Ninth. Article 65, the personnel of the Italian Air Force shall be limited to a total of 25,000.

It is plain from these crippling restrictions, that if the treaty were being adhered to, Italy not only could not be expected to contribute effectively to Western European defense, but could not even adequately defend her own borders from aggression.

It is indeed paradoxical that Italy, so hamstrung by this treaty which has proved itself to be unjust and unrealistic, is 1 of the 12 member nations of the North Atlantic Pact. For the current fiscal year Congress has appropriated over \$4,500,000,000 to assist these countries under the military-aid program.

The amount of aid planned to be extended to Italy is substantial.

This fact alone makes it difficult for me to understand why the United States has not renounced the peace treaty. This Nation cannot, certainly in conscience, pretend to abide, on the one hand, by a treaty which so severely limits Italy's defense rearmament and, on the other give assistance, probably in hundreds of millions of dollars, to the present Italian-defense program.

It may be argued that there is no immediate need for lifting the treaty's military restrictions because Italy is still below her treaty strength. There is no doubt, however, that before too long, probably by next fall, these restrictions will seriously hamper Italy's getting on with her defense program. She is trying herself, as evidenced in the \$400,000,000 she has recently appropriated for defense expenditures this year. And in a conversation with Defense Minister Paccardi in Rome this winter, he was optimistic in his hopes for developing an effective defense organization.

But he also pointed out the bad psychological effect of the peace treaty on Italy's rearmament efforts—when on the one hand the Italians are being urged to sacrifice their hard-won economic recovery for rebuilding defense forces, by the same Western Powers who, on the other hand, are limiting through the treaty the size that these defense forces may attain.

In regard to the possibility of a renunciation of the treaty's restriction of Italy's armed strength provoking Russia, it is well to note the situation among Soviet satellites who were former enemies. Rumania was authorized 138,000 men in her treaty; Bulgaria 65,500. United States officials have estimated that Rumania today has 275,000 men under arms and Bulgaria 190,000. And these forces are steadily being strengthened with Russian heavy equipment.

The utter folly of our failure to renounce the Italian peace treaty, with its crushing limitations on defense manpower and border fortifications, would indeed be all too clear if the Soviet satellites above should move, backed by Russia, against Yugoslavia, for the road to Italy would be open.

The treaty is dangerous to the security of the free world. But also today, as in 1947, the treaty is unfair and unjust for Italy.

One of the arguments put forth by the proponents of the 1947 treaty, when it was being discussed in the Senate, was that the treaty would pave the way for Italy's admission to the United Nations. At such time as Italy joined the United Nations, many of the defense restrictions could be revised between Italy and the Security Council, the treaty itself stated.

We have seen the wishfulness of such an argument. Up until today, Italy's admission to the United Nations has been advocated four times. Each time she has been barred from membership because of a Russian veto.

Therefore, we, and the other signatories of the treaty, in 1947, as much as said to Italy—here, sign this treaty. It is harsh, and your national security is

no doubt weakened by its restrictions. But after the treaty has been ratified, you can join the United Nations, and these problems can be ironed out there.

And yet, up until now, nothing has been done by our Government to insure Italy's ability to defend herself even though we know that Russia will continue to block her admission to the United Nations.

Recently we have seen, in a speech by John Foster Dulles, chief of the peace mission for Japan, how our Government is planning to have "a peace of reconciliation" with Japan. We intend to restore Japan, in Mr. Dulles' words, "to a position of dignity and equality among the nations." As for the security of Japan, we have gone so far as to inform her that, if the Japanese wanted it, the United States would sympathetically consider the retention of United States Armed Forces in and about Japan, so that the coming into force of a treaty of peace would not leave Japan a vacuum of power, and, as such, an easy prey to such aggression as has already shown itself in nearby Korea.

With this stand I have no quarrel. But it is difficult to reconcile the treatment proposed to be given Japan, an all-out enemy, to the treatment given to Italy, which, in fact, was a co-belligerent with us from September 1943 on, against nazism.

Have we forgotten that more than 100,000 Italian partisans died fighting against the Germans? That both Field Marshal Alexander and Gen. Mark Clark called the Italian resistance movement, the partisans, the most effective in Europe? That the Italian resistance movement and six regular divisions which went into combat on our side, saved many thousands of American and British lives? Have we forgotten that from the Italian armistice in 1943, until the end of the war, Italian casualties exceeded the combined casualties of the British and American Armies in Italy?

Back in 1947, A. A. Berle, Jr., former Assistant Secretary of State, in charge of Italian affairs, speaking of the then proposed treaty, said, "The Government of the United States made a single pledge to the Italian people prior to the landing of troops in Italy. This pledge was that the United States would assure the preservation of the essential nationhood of Italy. This pledge was properly read against the background of the Atlantic Charter and the repeated declarations of war aims."

In October 1944, President Roosevelt said, "To the people of Italy we have pledged our help, and we will keep the faith."

Was the ratification of this treaty, or is our continued failure to lift our voices against it keeping the faith? Have our actions in regard to this treaty been in accord with the principles of the Atlantic Charter?

It must be remembered that the terms of the Italian Peace Treaty were negotiated during the days when we were appeasing Russia, and when the wishful hope that we could live in peace with the Soviet dominated our foreign policy.

If our country is to deserve its place of leadership among the free nations of

the world, if our foreign policy of containing Russian expansion is to be a consistent one, if we are to keep the faith with Italy and live up to the principles enunciated in the Atlantic Charter, if, indeed, the North Atlantic Treaty organization is to have any true meaning, it is imperative that at once our Government take steps to renounce this treaty which has, first, mutilated the integrity of the Italian homeland; second, imposed the renunciation by Italy of her colonies; third, enforced enslavement by compelling the payment of \$365,000,000, \$100,000,000 of which is to be paid to Russia; and, fourth, reduced the Italian national defense forces to a point at which her own and all of Western Europe's security is endangered.

Consequently, Mr. Speaker, I have today introduced a House joint resolution which provides for the relief of the Government of Italy from its obligations to the United States under the present peace treaty, and which requests the President to join with other signatories as may accept, in negotiating a new peace treaty.

THE KOREAN SITUATION

Mr. DENNY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENNY. Mr. Speaker, the situation in Korea has again reached the point where it demands the attention of every administrative and legislative department in our Government. It is one of the most extraordinary situations that ever has faced our Military Establishment. The greater the success of the United Nations forces in Korea the more critical the position of our Army becomes. As our supply lines lengthen and as the enemy supply lines shorten, our forces are in increasing jeopardy. There never has been a military situation quite like this one. Our people are demanding a firm policy. There never has been any policy of any kind that we know of.

General MacArthur is between the devil and the deep blue sea. If he exerts the full pressure of our forces and goes all out to win, he is rebuked and threatened. Never in our history has a successful general been so handicapped and shackled. Under the greatest difficulties at home and in the field he has been brilliantly successful.

There are just two things to do and a definite policy on one alternative must be decided upon right now.

Either we may say to the enemy, this is the last of the ninth inning, the game is won, let us take a shower bath, have a coke, and go home. The trouble with that line is that Communists do not play that kind of ball; in fact they do not play ball at all. Never have we faced a more relentless, vindictive, and savage enemy. He has one objective and that is to destroy us completely.

The second alternative is to give General MacArthur all that he needs so sorely and has asked for to win this war. Let him bomb the Manchurian supply points and airfields. Set up a blockade

of the China ports. Arm and equip the Nationalist Chinese Army and let them carry on. Finish the job.

Up to date our casualties have been nearly 60,000 due to death, wounds, or missing in action. This is 6,000 a month or 200 men a day. In another 3 months will come the first anniversary of this conflict. Two hundred men a day as each month goes by. All for no purpose, no advantage to us and to carry out a do-nothing policy that has no objective whatever. Two hundred men a day, whose lives are thrown away for nothing.

We are fortunate that we have a man like MacArthur to lead our forces and to make our plans. We can thank God that we have General Marshall here in Washington. He is one of the greatest generals of all time and an outstanding diplomat as well, as he tempers the distemper of the Commander in Chief. He must have the patience of Job, the judgment of a David, the fine Italian hand of a Raphael. Great as his record has been, he will go down in history as the greatest baby sitter of all time.

The people are demanding action. We are getting none. The future of this country is at stake and we are playing the piano as Asia burns. It is my firm and sincere belief that we, the Members of the Eighty-second Congress, must act, not next month, not next week, not tomorrow, but today.

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. HAND] is recognized for 45 minutes.

ERRORS IN FOREIGN AFFAIRS

Mr. HAND. Mr. Speaker, we are now considering the mobilization and training for war of the youth of America. The proposal of the administration and the Pentagon is not designed as a temporary extension of conscription to meet another supposed crisis; it is a plan to write into the permanent law and policy of the Nation authority for the generals to convert the country into an armed camp for 10 years, 20 years, the foreseeable future.

It is this profound difference between an immediate necessity and a permanent program which this House must examine with its best judgment, aided by its prayers.

No sacrifice is too great for the true defense of America, its people, and its institutions. But we must not be moved to transform this country into a militaristic state, a controlled economy, the latest and greatest victim of regimentation, without a clear conviction that there is no alternative. Hysteria, propaganda, misconception, and the intense efforts of selfish groups should not tempt us to yield our precious liberties, and accept a semidictatorship.

Therefore, the question of prime importance is whether the proposals of the President and the Pentagon are truly needed for America's defense, or whether there may be alternatives to an endless system of the conscription and control of our sons, our liberties, and our property. The proper solution of this question depends upon a bold and realistic reexamination of our foreign policy, and its accompanying military plan. To para-

phrase Lincoln, we must first know where we have been in the past and where we are going in the future, before we decide what to do now. And it is our high responsibility, as Representatives of the people to solve these problems in the light of our judgment and in accord with the people's will. It will no longer do to evade responsibility by saying the generals know best. It is by no means certain that they do. It will no longer do blindly to follow a leadership which, to be kind, has been less than adequate.

Mr. Speaker, not only this mobilization measure, but virtually all major legislation to be considered by the Congress, has got to be tested by a decision as to whether or not our basic foreign and military policies are sound or unsound. Do we need millions of infantrymen? That depends on what we expect to do with them. Must most of the fruits of our labor go to the Federal tax collector? That depends on the cost of our defense program. Must we seek the permission of Government before performing the normal functions of living and working? That depends on how much of our vast production shall be diverted to the waste of war.

And, most important of all, shall our sons and daughters be educated, establish their families, work in security, enjoy liberty and the pursuit of happiness, indeed, live or die? That, sir, depends on us.

Mr. Speaker, in examining the policies of the present, we need not dwell too long on the tragic past. The history of a whole generation has been an unrelieved tale of wars and rumors of wars; of uneasy truce; of a false inflated prosperity; of a growth of materialism, and the lessening of spiritual values. Have we, of this generation, been a success? I wish we could claim it. We have failed, and are failing, in our prime responsibilities of maintaining peace, freedom, and opportunity for happiness, and it is time we reexamined our policies to determine and correct the cause of our failure.

I make no pretense to knowing all the problems, or all the answers, but the gravity of the occasion impels me to contribute what little I can to this debate. Many others have discussed the details of this bill. I should like to discuss the fundamental efforts in our policy which have led us to our tragic position.

As I see it, we should concern ourselves with three major deviations from sound policy: First, our foreign policy is founded on the so-called Truman doctrine; second, we have permitted Congress to be stripped of its historic and constitutional powers, and unwisely concentrated authority in the executive department; and third, we pursue a fantastic military strategy. Let me discuss these errors with you.

THE TRUMAN DOCTRINE

What is the Truman doctrine? There is no reason to misunderstand it. Truman himself explicitly announced it in 1947, when he said:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

The President added that we must be "willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes."

This doctrine was announced in the course of persuading Congress to assume the burden of supporting Greece and Turkey, neither a conspicuously free democracy, and it was argued that such steps would contain communism. We have since given up this pretense, however, as evidenced by our aid to Yugoslavia, and it is clear that we do not idealistically seek to aid free peoples, but to aid any group that might resist Russian influence.

Indeed, if we were to oppose imposition of all totalitarian regimes, we would be obliged to eject Peron, in Argentina, and to act elsewhere in South America, whose democracy is far more important to us than in Asia.

Yet it was in pursuance of this global doctrine, with some added talk of collective security, that the President, without warning, and without so much as a hint to Congress, committed the Nation to the liberation of South Korea.

The results are known to all of us. We have been engaged for nearly a year in the fourth bloodiest war of our history. We have suffered 60,000 casualties. We have settled down to a war of attrition, by which is meant that we are trading American lives for Chinese. We have, of course, completely ruined South Korea. And when we win, the prize will be the opportunity to rehabilitate and thereafter to feed and clothe the liberated.

In pursuance of this doctrine, we assume the present obligation to support French interests in Indochina. Future obligations are not clearly specified. Like Atlas, we are straining to carry the world on our backs.

Four years ago, on this floor, in discussing the Truman plan, I warned that we were starting America on "a dark journey, a dangerous journey, an imperialistic adventure to every plague spot in the world." Intervening events have confirmed that view.

THE ABDICATION OF CONGRESS

Mr. Speaker, every lover of democracy, every believer in our successful form of Government, must be greatly alarmed at the vast expansion of the President's powers, with the consequent loss of the authority of Congress.

I have previously referred to our Asiatic involvement in a long, serious and bloody war, at the instigation of the President alone. Equally shocking is the administration's insistence that the President has the authority, without the approval, or indeed over the objection of Congress, to commit unlimited American military forces in Europe for an indefinite time, to implement policies which he may formulate now or later.

This is a clear expression of the administration's view. I flatly challenge it. I challenge the dangerous theory that by the device of labeling a war as a police action, one man may decree that we engage in battle with the North Koreans, with the Chinese, in Indochina, Iran,

Tibet; in fact with anyone and anywhere, if he, and he alone sees fit. So holding is to ignore not only the plain words of the Constitution, but the essential meaning of our representative form of government.

The Commander in Chief has the power to direct the movement of the Armed Forces, but only after the war-making powers of Congress have been exercised. He has no more power to make war than one of his inferior military officers, say, General Eisenhower.

Article 1, section 8, dealing with legislative powers, provides in part that—

Congress shall have the power—to declare war—to make rules concerning captures on land and water; to raise and support armies—to make rules for the government and regulation of the land and naval forces; to provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions; to provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States; to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.

I have referred to these powers in detail to indicate the painstaking care used by the Constitutional Convention to make sure that the high responsibility of raising, and regulating the use of armies, was exclusively vested in the Congress, hence, by representation, in the people.

In addition, Congress had complete control of our money, without which no troops can be sent anywhere.

In contradistinction to those broad and detailed powers, article II, section 2, briefly provides that—

The President shall be Commander in Chief of the Army and Navy of the United States, and of the militia of the several States when called into the actual service of the United States.

This is the only reference to such powers. Can we infer from this a power to start and maintain a major war, as in Asia?

Those who support the President's powers rather glibly refer to a large number of precedents and Supreme Court opinions. They do not bear careful analysis. It is of course true that from 1798 on, marines and limited forces have been dispatched to protect American lives or property, usually as a result of a civil war or internal disturbance which could not be controlled by the local government. Such temporary emergencies are hardly to be compared with a permanent policy of occupying Europe with large numbers, for long years; or with fighting in Korea the fourth worst war in our history, with 250,000 troops, 60,000 casualties and 15,000 monthly replacements; a war in its ninth month, now involving us with the most numerous nation on earth; a tragic war in which the end is not in sight.

While I am satisfied, as a lawyer, that the President is without constitutional right to fight all over Asia, or to occupy Europe, without congressional sanction, it is even more important that he should not attempt to involve the Nation in such

vast projects without an assurance of the people's will, and the backing of its representatives. Obviously he must come to Congress to implement his actions. How much wiser to obtain their approval in advance.

You do not avoid war by omitting a formal declaration of war. We are presently engaged in a major war which may suddenly or by degrees become a world war. To suggest that such a course may be pursued without action by Congress is to reduce its authority, and hence the authority of the people, to a debating society, with some limited function of approving the appropriation of money demanded by the President. To so limit the Congress and exalt the Presidency, is, of course, to abandon democracy and surrender to a dictatorship.

On January 15, Senator TAFT said:

The basic liberties of the people . . . are imperiled unless we can retain in Congress the right to pass on policies affecting—

Their—

very life and being.

I agree. I am not prepared to surrender in whole or in part the power of the people exercised by their elective representatives.

Neither am I prepared to deliver the fate of this country solely into the hands of President Truman.

This is our second error.

FANTASTIC STRATEGY

Mr. Speaker, the third error is our fantastic strategy. The song so often sung is that we must go along with the generals. I am sorry, but I cannot blindly follow them. Every civilian who dares to disagree with the Pentagon is immediately called an arm-chair strategist—but, sir, even civilians can study the lessons of the past and present, and think on the future; and their thinking does not suffer from the accumulated prejudices, natural and inevitable to a lifetime of professional military service.

Secretary of Defense Marshall is a lifelong ground general. He repeatedly emphasizes his belief that ground forces will always play the decisive role in battle. The Chairman of the Joint Chiefs of Staff, Omar Bradley, is a ground general. He says:

We shall once more be forced to gain the inevitable victory over our dead bodies—those of our soldiers on the ground.

Now, Mr. Speaker, permit a humble civilian to suggest that this is frozen thinking, which ignores the realities of the day. Japan, once the dominant force of Asia, surrendered to us with an army of 6,000,000 men. We did not conquer her empire over the bodies of our dead soldiers. We conquered her by air power. It was, of course, true that gallant men fought and died to establish operating bases. Such sacrifices might no longer be necessary with the enormously increased range of our planes.

The threat of the future is Asia. It is a supreme folly to attempt to match their illimitable hordes with our limited manpower. Transporting our millions, with their supplies, over thousands of miles of sea, to a land-based enemy with infinitely superior numbers, would bleed us white, if it did not utterly ruin us.

With atom bombs in enemy hands, we cannot repeat Eisenhower's magnificent landing, nor repeat, if necessary, a Dunkirk escape. We can no better march to Moscow than Russia can march to Washington.

Nor can I avoid the logic that if Russia intends to march in Europe, she will not be gracious enough to wait for 3 years while we build European defenses. She will either move now, or not move in the foreseeable future. In either event, it is futile to send great armies there.

But the Pentagon still visualizes the clash of great armies and navies, failing, as I see it, to realize that the field in which we can be supreme is in the air. That is the great deterrent force which, if anything can, will keep the peace, or failing that, win the war.

Major de Seversky rightly says:

That deterrent force can only be American strategic air power, operating directly from our continent—from bases, that is to say, inaccessible to the Kremlin's land might and tactical air force. Only under this protection can European capacity for defense be revised.

But today our strategic air force does not have the magnitude to serve as a real deterrent. Though properly conceived, and armed with atom bombs, it is no more than a token force. It will remain only a token force as long as we persist in dividing our potential three ways for so-called balanced forces—instead of applying the major portion to air power on the common-sense basis that first things must come first. Only when such an American air force is in existence will European rearmament be at all possible.

The gentleman from South Carolina [Mr. DORN] in his recent and excellent speech suggested that the Roman legions, in their era, enforced the Pax Romana; centuries later Britain, by the development of its great sea power, kept the Pax Britannica. He expressed the hope that in this era America, with air power, could preserve the Pax America. Until such time as the whole world has the sense to totally and permanently disarm, I am persuaded that our air power is the only avenue to peace and security.

I am not, of course, advocating the abolition of our gallant Army and Navy. I do venture to advocate that we stop planning balanced forces, and emphasize the field of our era, the air lanes of the world.

And we may, if we struggle long enough. After all, we finally abolished the calvary, and years later even the riding spurs on officer's boots.

REVISE OUR POLICIES

I am convinced we must reexamine our whole foreign policy. We should specifically abandon the Truman doctrine of global intervention. We must concentrate far more of our attention on the stability and defenses of the Western Hemisphere. And finally we should determine the areas of the world in which we have a vital interest, and in words of one syllable tell our potential enemies that an invasion of those areas, will lead not to an inconclusive, expensive, and tragic police action in Korea, but an air war on the enemy's homeland.

By so doing, we may preserve the peace. We can maintain our security. By so limiting our policies and forces, we can

with safety avoid full mobilization, regimentation, and bankruptcy.

I earnestly urge your consideration of these thoughts and your improvement of them. Let us at least try to achieve for our people secure dwellings and sweet resting places.

THE PRESENT DRAFT LEGISLATION

Mr. Speaker, it is obvious that all this has a quite direct bearing on the present draft legislation. If I should be right in supposing that the Truman doctrine is a dangerous and overly ambitious program, and if we pursue our own interests instead of a policy of global intervention, then we should place some limit on the number of men to be called. If I am correct in my assumption that Congress is designed to play a real part in government, then Congress should, in this bill, express itself on both Asiatic and European policy, and specifically on the troops-to-Europe issue. If, as I think, we should emphasize our Air Force, and repudiate the balanced-forces strategy, then we must mold any training program accordingly.

Thus I must conclude that—

First. The extension of draft authority is presently necessary.

Second. There is no need for compelling the services of 18-year-old boys.

Third. There should be, as the bill provides, a terminal date for draft authority.

Fourth. Congress should impose a reasonable limit on the number of men to be called.

Fifth. Congress should now impose its collective judgment on the troops-for-Europe issue.

Sixth. We must give careful and detailed attention to any future training program.

Finally, we should give at least as much attention to achieving peace, as we do to preparing for war.

I must meet my individual responsibility as a Representative, not by blindly following the dictates of others, but only by using the best judgment that has been given me.

I shall work and vote accordingly.

THE SPEAKER pro tempore (Mr. MORRIS). Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 15 minutes.

ANTISEGREGATION AMENDMENT TO SELECTIVE SERVICE ACT

Mr. JAVITS. Mr. Speaker, when the Selective Service Act is read for amendment I will offer my amendment to insert in the policy statements of section 1 of the act the declaration that service shall be "without discrimination in selection or service, or segregation on account of race, creed, color or national origin." I propose that this amendment be added to the present section 1 (c) of the act so that it will read as follows:

(c) The Congress further declares that in a free society the obligations and privileges of serving in the Armed Forces and the Reserve components thereof, should be shared generally in accordance with a system of selection which is fair and just which is consistent with the maintenance of an effective national economy and without discrimi-

nation in selection or service, or segregation, on account of race, creed, color or national origin.

The President directed on July 26, 1943, that there should be equality of treatment and opportunity for all persons in the armed services regardless of their race, creed, color, or national origin. On April 6, 1949, the Secretary of Defense issued the first directive on that subject ordering this same equality of treatment and opportunity for all in the three services, Navy, Air, and Army. The Air Force issued its order on May 11, 1949, and there is almost complete integration and therefore absence of segregation in the Air Force. The Navy issued its order on June 7, 1949, and has a record about the same in essence as the Air Force. The Army has had rather a time meeting the directive of the President and the Secretary of Defense. It has issued a number of orders including those of September 30, 1949, and January 16, 1950; nevertheless, in some parts of the country, particularly in areas where segregation is part of the social pattern, segregation of one kind or another, whether it is in messing or in units or in barracks persists in the Army.

Without getting into a hot argument which often surrounds efforts to eliminate segregation and discrimination generally in areas where it is part of the social pattern, there hardly seems any defense whatever for segregation in the Armed Forces.

I have done a great deal of work on this subject. I am taking this time this afternoon so that the record may be rather more complete than will be possible in the discussion which will ensue when I offer my amendment. I have asked my dear friend and colleague, the gentleman from New Jersey [Mr. HOWELL] who has cooperated with me on this issue to stay and perhaps insert some remarks of his own.

I would like to summarize very briefly just what has come out of my long observation and work on this whole question which now goes back to the time when the first Draft Act came before us in 1948, at which time I offered the very same amendment in practical effect that I will offer to the pending bill in the next few days. There are several conclusions which I have reached:

First. That the morale of Negro troops is raised 100 percent by integration and the elimination of segregation in all its phases, barracks, mess, and units. This is on direct evidence from Fort Dix, N. J., which eliminated segregation only a few months ago.

Second. That inefficiency and waste are eliminated by the elimination of segregation. This is for the reason that full use may then be made of every part of the posts, camps, and stations, and of training facilities, without leaving large segregated areas unused for long stretches because Negro units or adequate Negro personnel are not available to occupy them.

Third, that Negro troops in training or combat, when integrated with white troops, operate on terms of full equality without any change in rate or nature of progress from all-white units. This is

illustrated by the inspection which the gentleman from New Jersey [Mr. HOWELL] and I made at Fort Dix. We have it directly from the commanding officer and the officials in charge of training there. It is very magnificently illustrated by the action in Korea where, when they stopped utilizing certain Negro troops in segregated units and distributed the troops throughout the division, they found very remarkably good results. It has been the experience with integration of United States troops for training in Germany.

Mr. HOWELL. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New Jersey.

Mr. HOWELL. I want to compliment the gentleman from New York on his intelligent and continued activity on the subject which he has been discussing. I know that his persistent and continued intelligent approach to it has helped to eliminate a lot of the unfairness that has existed, especially with respect to the Armed Forces. I hope that he will continue, and that we can help him in improving even further that situation.

I think the gentleman will agree with me that on the occasion of our visit to Fort Dix we did find a situation which appeared to have full integration of Negro personnel at all levels in training and living in the barracks and recreation and all other respects. The interesting part I thought there was that in inquiring at all levels and from all types of personnel, and even in the towns surrounding the area, we discovered that at least to date there has been no evidence of any undue problems that have been brought about by that full integration. I hope that that will serve as a pattern for improvement at some of the other installations throughout the country. I know that probably in some places it is not as good as it is at Fort Dix, and that it took perhaps a little too long to bring about that situation at Fort Dix. However, I do think that the gentleman's interest and activity have certainly helped to improve that situation. I again compliment him very much on his efforts.

Mr. JAVITS. May I say that the activities of the gentleman from New Jersey, whose district includes Fort Dix, are equally important, and that the bipartisanship on this issue which he has contributed means a great deal to the success of the effort.

To continue with my conclusions:

The fourth is that full utilization of manpower in purely military terms requires integration. Segregation wastes and, in addition, debases manpower, which we have found when the question of low morale of Negro troops who were segregated has come up.

Fifth, and this is a point that has been very well made, our whole moral leadership in the world is materially hurt by policies of segregation in the Armed Forces and by discrimination and segregation generally. We are fighting the battle for the minds of over a billion people, especially in Asia and in Africa, who have some kind of color. Certainly they do not get too much comfort from

the fact that segregation and discrimination continue in our own country, though, of course, the Communists inflate it far beyond its true compass, and the elimination of segregation in the Armed Forces is a big thing for them.

There are just two other points I should like to make. First, that one hears about the solicitude of people who live in areas where segregation is part of the social pattern, yet it is a fact that this elimination of segregation in the armed services should be the easiest to accomplish fully. It seems so logical, in view of the fact that men as soldiers are commonly dedicated to risking their lives for their country and should certainly be equally protected in their service by the flag and the Constitution.

I would like to end, Mr. Speaker, by quoting from a letter written to me by General Marshall, Secretary of Defense, on March 30, 1951, after the gentleman from New Jersey [Mr. HOWELL] and I made this Fort Dix inspection in which he said, as follows:

I do not believe we need a new committee or a new blueprint at this time, but rather a continuation of the sincere effort that has been made in the 10 months since the Fahy report to insure every soldier will have a maximum opportunity to make his contribution to the effectiveness of our Army without regard for his race or color.

That is certainly a declaration of a great soldier and a great leader of World War II as our Chief of Staff—under whom I served and others in this House served, feeling it a great privilege—that segregation hurts us in the very area that we are trying the most not to hurt, the effectiveness of the Armed Forces.

EXTENSION OF REMARKS

Mr. HAVENNER asked and was given permission to extend his remarks and include extraneous matter and a letter.

Mr. YORTY asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. KLEIN asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. KILDAY asked and was given permission to extend his remarks.

Mr. WHITTEN asked and was given permission to extend his remarks in reference to appropriations for the Department of Agriculture.

Mr. CLEVENGER asked and was given permission to extend his remarks and include two articles from the Cleveland Plain Dealer.

Mr. McVEY asked and was given permission to extend his remarks.

Mr. WOOD of Idaho asked and was given permission to extend his remarks and include an editorial.

Mr. SHEEHAN asked and was given permission to extend his remarks and include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks and include extraneous material.

Mr. VAN ZANDT asked and was given permission to extend his remarks.

Mr. JENKINS asked and was given permission to extend his remarks and include a newspaper article.

Mr. CHIPERFIELD asked and was given permission to extend his remarks.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in three instances.

Mr. COLE of New York asked and was given permission to extend his remarks in two instances.

Mr. YATES asked and was given permission to extend his remarks and include an address entitled "Address Delivered by Percy L. Julian," which is estimated by the Public Printer to cost \$225.50.

Mr. RANKIN asked and was given permission to extend his remarks and include extraneous matter.

Mr. FORD asked and was given permission to extend his remarks in three instances and include newspaper comments.

Mr. WILLIAMS of Mississippi asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include extraneous matter.

Mr. FORD asked and was given permission to extend his remarks and include certain newspaper editorials.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in three instances.

Mr. HILLINGS asked and was given permission to extend his remarks and include an editorial.

Mr. BOW asked and was given permission to extend his remarks in two instances, and in one to include a letter, and in the other a resolution.

Mr. MORANO asked and was given permission to revise and extend his remarks.

Mr. DURHAM asked and was given permission to revise and extend his remarks on the subject of civil defense.

Mr. BAILEY asked and was given permission to extend his remarks and include an editorial from the Roanoke (Va.) News under the caption "Those unfilled veteran hospitals."

Mr. McDONOUGH asked and was given permission to extend his remarks and include a resolution adopted by the California State Legislature.

Mr. BURNSIDE (at the request of Mr. HOWELL) was given permission to extend his remarks.

Mr. McCORMACK asked and was given permission to extend his remarks and include a radio address made over the Mutual Broadcasting System network on March 18, 1951, by Gen. William J. Donovan.

Mr. BOYKIN (at the request of Mr. McCORMACK) was given permission to extend his remarks and include an article entitled "National Calamity Would Ensnare," notwithstanding the fact that it will exceed two pages of the Record and is estimated by the Public Printer to cost \$225.50.

Mr. ADDONIZIO asked and was given permission to extend his remarks and include a newspaper article from the New York Times of April 7, 1951.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MILLER of Maryland (at the request of Mr. BEALL) for 2 days, on account of attending Board of Visitors of the Naval Academy.

To Mr. MANSFIELD (at the request of Mr. PRIEST) for this week, on account of illness.

ADJOURNMENT

Mr. HOWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, April 10, 1951, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

370. A letter from the Deputy Attorney General, transmitting a draft of a proposed bill entitled, "A bill to assist Federal prisoners in their rehabilitation"; to the Committee on the Judiciary.

371. A letter from the Secretary of State, transmitting the first report regarding the Yugoslav emergency relief assistance program, pursuant to section 6 of Public Law 897 (the Yugoslav Emergency Relief Assistance Act of 1950); to the Committee on Foreign Affairs and ordered to be printed.

372. A letter from the Secretary of State, transmitting a draft of a bill entitled, "A bill to provide for the education of the dependent minor children of the military and civilian personnel of the Federal Government stationed overseas"; to the Committee on Education and Labor.

373. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1951 in the amount of \$500 for the legislative branch (H. Doc. No. 109); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1764. A bill to authorize the Secretaries of the Army and Air Force to settle, pay, adjust, and compromise certain claims for damages and for salvage and towage and to execute releases, certifications, and reports with respect thereto, and for other purposes; without amendment (Rept. No. 300). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. Third Intermediate Report of the Committee on Expenditures in the Executive Departments, a study of certain operations of the Rural Electrification Administration (Rept. No. 301). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 302. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3527. A bill for the relief of Morris Tutnauer; with amendment (Rept. No. 299). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS of Nebraska: H. R. 3601. A bill to amend section 117 (j) of the Internal Revenue Code with respect to the income tax treatment of sales of livestock; to the Committee on Ways and Means.

By Mr. EVINS (by request): H. R. 3602. A bill relating to the effective date of compensation for service-connected disability, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KEAN: H. R. 3603. A bill to exempt sales to the United States of certain radio communication, detection, or navigation equipment; to the Committee on Ways and Means.

By Mr. MURPHY: H. R. 3604. A bill to eliminate the retroactive application of the income tax to employees of the United States working in the possessions or in the Canal Zone; to the Committee on Ways and Means.

By Mr. MURRAY of Tennessee: H. R. 3605. A bill to amend section 6 of Public Law 134, approved July 6, 1945, as amended, to grant annual and sick leave privileges to certain indefinite substitute employees in the postal service; to the Committee on Post Office and Civil Service.

H. R. 3606. A bill to amend certain laws relating to the submission of postmasters' accounts under oath, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BUSBEY: H. R. 3607. A bill to amend section 9A of the act entitled "An act to prevent pernicious political activities, 1939," approved August 2, 1939, as amended; to the Committee on the Judiciary.

By Mr. LANE: H. R. 3608. A bill to bar Federal aid to any college or university unless it takes effective steps to eliminate hazing and assumes liability for injuries resulting from hazing; to the Committee on Education and Labor.

By Mr. TEAGUE: H. R. 3609. A bill to establish a basic administrative workweek of 48 hours for officers and employees of the United States; to the Committee on Post Office and Civil Service.

H. R. 3610. A bill to reduce the annual leave of Government employees; to the Committee on Post Office and Civil Service.

By Mr. DAVIS of Georgia: H. R. 3611. A bill to remove the limitation on the numerical strength of the White House Police Force; to the Committee on the District of Columbia.

By Mr. ADDONIZIO: H. J. Res. 224. Joint resolution to relieve the Government of Italy of its obligations to the United States under the treaty of peace with Italy, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KENNEDY: H. J. Res. 225. Joint resolution to relieve the Government of Italy of its obligations to the United States under the treaty of peace

with Italy, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BURLISON: H. Res. 184. Resolution, extension of time for taking testimony Macy versus Greenwood election contest; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, relative to continuing the 27½ percentage depletion rate for oil-producing properties in the Internal Revenue Code; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New Jersey, transmitting a "duly authenticated copy of chapter 8 of the New Jersey Laws of 1951 (ratifying, on behalf of this State, an interstate civil defense and disaster compact)"; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Territory of Alaska, with reference to public airports; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Territory of Alaska, with reference to the development of mineral resources in the Second Judicial Division of Alaska; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, with reference to settlement of the question of aboriginal rights in Alaska; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, with reference to aid for Alaska Indians and Eskimos; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, with reference to the Alaska Native Service; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, with reference to the construction costs for Federal projects in Alaska; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, with reference to the dredging of Gastineau Channel in southeast Alaska; to the Committee on Public Works.

Also, memorial of the Legislature of the Territory of Alaska, with reference to appropriations to complete certain harbor projects in Alaska; to the Committee on Public Works.

Also, memorial of the Legislature of the Territory of Alaska, with reference to corporate gross income exemption; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER: H. R. 3612. A bill to provide for the retirement of Henry V. Evans, former member of the Fire Department of the District of Columbia, who was permanently disabled in line of duty; to the Committee on the District of Columbia.

By Mr. BRAMBLETT: H. R. 3613. A bill for the relief of Georgina Summers; to the Committee on the Judiciary.

By Mr. COUDERT: H. R. 3614. A bill for the relief of the Ragheb family; to the Committee on the Judiciary.

By Mr. **HERTER**:
H. R. 3615. A bill for the relief of Peng-si Mei; to the Committee on the Judiciary.

By Mr. **HOLMES**:
H. R. 3616. A bill for the relief of the Pacific Fruit Express Co.; to the Committee on the Judiciary.

By Mr. **KEATING** (by request):
H. R. 3617. A bill for the relief of Felicja Wlodek-Gatowska; to the Committee on the Judiciary.

By Mr. **MULTER**:
H. R. 3618. A bill for the relief of Mrs. Lillian Trancher; to the Committee on the Judiciary.

H. R. 3619. A bill for the relief of John Lemons; to the Committee on the Judiciary.

By Mr. **STIGLER**:
H. R. 3620. A bill for the relief of Russel Earnest; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

192. By Mr. **LOVRE**: Memorial of the Legislature of the State of South Dakota memorializing the Congress of the United States to assume its full obligation to Sioux Indians in the State of South Dakota, in regard to the payment of old-age assistance; to the Committee on Interior and Insular Affairs.

193. By The **SPEAKER**: Petition of Hubert H. Moss, president, Chamber of Commerce, Gainesville, Tex., recommending that universal military training be considered by the Congress in a bill separate and distinct from matter contained in any other bill; to the Committee on Armed Services.

194. Also, petition of Miss Corinne M. Calahan, secretary, Woman's Club of Endicott, Endicott, N. Y., protesting vigorously the rising prices of foodstuffs; to the Committee on Banking and Currency.

195. Also, petition of Reuben L. Robertson, secretary, Grand Lodge, Knights of Pythias, Indianapolis, Ind., stating their opinion that our National Government should, to the best of its ability, assist the free peoples of the United Nations and the Eastern Hemisphere to withstand the onslaught of communism; to the Committee on Foreign Affairs.

196. Also, petition of Generoso F. Tanseco, president, Filipino Shipowners Association, Manila, Philippine Islands, opposing extension of charters of United States maritime vessels to three Philippine operators; to the Committee on Foreign Affairs.

197. Also, petition of Miss Louise Colella, adjutant, Disabled American Veterans Auxiliary, Chapter No. 76, Pittsburgh, Pa., relative to going on record as in favor of a 17½ percent annual pay increase for postal employees; to the Committee on Post Office and Civil Service.

198. Also, petition of Robert T. Laing, secretary, the Central Pennsylvania Coal Producers' Association, Altoona, Pa., relative to going on record as being opposed to the St. Lawrence seaway and hydroelectric project; to the Committee on Public Works.

199. Also, petition of Mrs. Lena Signoralle, Mothers' Club of Public School 14, Corona, N. Y., endorsing a resolution concerning and controlling narcotics; to the Committee on Ways and Means.

200. Also, petition of Mr. Francisco Colon Gordiano, president, Confederation General de Trabajadores de Puerto Rico, San Juan, P. R., relative to agreements adopted by the General Confederation of Puerto Rico; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 10, 1951

The House met at 11 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and ever-blessed God, grant that during this day we may have a new and worthier appreciation of life and all our blessings, for we penitently confess that we are frequently guilty of the sacrilege of an ungrateful and indifferent spirit.

Inspire our minds and hearts with thoughts of Thy greatness and the inexhaustible riches of Thy grace as we strive to build a finer social order and a nobler civilization.

We pray that when we are discouraged and are tempted to yield to despair we may hear Thy voice awakening within us the glad assurance that Thy divine purposes can never be defeated.

May our beloved country continue to be a strong link in the chain of peace-loving and peace-making nations who are daily praying and laboring for the fulfillment of that blessed day of prediction when the black demon of war shall be forever destroyed.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 349. An act to assist the provision of housing and community facilities and services required in connection with the national defense.

DAYLIGHT SAVING TIME IN THE DISTRICT OF COLUMBIA

The **SPEAKER**. The unfinished business is the question on the passage of the bill (H. R. 2612) to authorize the Board of Commissioners of the District of Columbia to establish daylight saving time in the District of Columbia.

The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. O'HARA) there were—ayes 30, noes 13.

Mr. O'HARA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were—yeas 278, nays 116, not voting 39, as follows:

[Roll No. 25]
YEAS—278

Adair
Addonizio
Albert

Allen, Calif.
Angell
Arends

Aspinall
Auchincloss
Ayres

Bailey
Baker
Baring
Barrett
Bates, Mass.
Beall
Beamer
Beckworth
Bender
Bennett, Mich.
Bentsen
Betts
Blackney
Blatnik
Boggs, Del.
Boggs, La.
Bolling
Bolton
Bosone
Bow
Bramblett
Bray
Breen
Brehm
Brownson
Buckley
Budge
Buffett
Burnside
Burton
Busbey
Bush
Butler
Byrne, N. Y.
Byrnes, Wis.
Canfield
Carnahan
Case
Celler
Chatham
Chelf
Chilperfield
Chudoff
Church
Clemente
Cole, Kans.
Colmer
Combs
Cooley
Corbett
Cotton
Coudert
Crawford
Crosier
Crumpacker
Curtis, Mo.
Dague
Davis, Tenn.
Davis, Wis.
Deane
Delaney
Dempsey
Denny
Denton
Devereux
Dollinger
Dondero
Donohue
Donovan
Doyle
Durham
Eaton
Eberharter
Ellsworth
Elston
Engle
Evins
Fallon
Feighan
Fenton
Fernandez
Fisher
Flood
Forand
Ford
Forrester
Fugate
Fulton
Furcolo
Gamble
Garmatz

Gavin
Goodwin
Gordon
Gossett
Graham
Granahan
Granger
Green
Greenwood
Gwinn
Hagen
Hale
Hall
Hall, Edwin Arthur
Hall, Leonard W.
Halleck
Hand
Harden
Hardy
Harrison, Wyo.
Hart
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hedrick
Heffernan
Heller
Herter
Heseltun
Hess
Hillings
Hinshaw
Hoffman, Ill.
Hollifield
Holmes
Hope
Horan
Howell
Hunter
Irving
Jackson, Calif.
Jackson, Wash.
James
Jarman
Javits
Jenison
Johnson
Jonas
Jones, Ala.
Judd
Karsten, Mo.
Kearney
Kearney
Kearns
Keating
Kelley, Pa.
Kelly, N. Y.
Kennedy
Kerr
Kersten, Wis.
Kilburn
Kilday
King
Kirwan
Klein
Kluczynski
Lane
Lanham
Lantaff
Latham
Lesinski
Lind
Lucas
Lyle
McCarthy
McConnell
McCormack
McDonough
McGrath
McGuire
McKinnon
McMullen
McVey
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Mahon
Martin, Mass.

NAYS—116

Aandahl
Abbitt
Abernethy
Allen, Ill.
Andersen,
H. Carl
Anderson, Calif.
Anderson,
August H.
Andrews

Mason
Meador
Merrow
Miller, Calif.
Miller, N. Y.
Mills
Mitchell
Morano
Morgan
Morrison
Moulder
Multer
Mumma
Murdoch
Murphy
Nelson
Nicholson
O'Brien, Ill.
O'Brien, Mich.
Ostertag
Patten
Patterson
Perkins
Philbin
Poage
Poulson
Powell
Preston
Price
Priest
Prouty
Quinn
Rabaut
Radwan
Rains
Ramsey
Reece, Tenn.
Reed, Ill.
Regan
Rhodes
Ribicoff
Riehlman
Rivers
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rooney
Sadlak
St. George
Saylor
Scott, Hardie
Scott,
Hugh D., Jr.
Scudder
Seely-Brown
Sheehan
Sheppard
Simpson, Pa.
Sittler
Smith, Miss.
Spence
Springer
Staggers
Stigler
Stockman
Taylor
Thompson,
Mich.
Thompson, Tex.
Thornberry
Towe
Vail
Van Pelt
Van Zandt
Vaughn
Welch
Werdel
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, N. Y.
Wilson, Ind.
Wilson, Tex.
Wolverton
Yates
Yorty
Zablocki

Bryson
Burdick
Burleson
Camp
Cannon
Carlyle
Clevenger
Cole, N. Y.
Cooper
Cunningham